121 SW Port St. Lucie Blvd. Port St. Lucie, Florida 34984

# City of Port St.Lucie Special City Council Meeting Minutes

Shannon M. Martin, Mayor

Jolien Caraballo, Vice Mayor, District IV Stephanie Morgan, Councilwoman, District I Dave Pickett, Councilman, District II Anthony Bonna, Councilman, District III

Please visit www.cityofpsl.com/tv for new public comment options.

Wednesday, May 18, 2022

5:30 PM

**Council Chambers, City Hall** 

# 1. Meeting Called to Order

A Special Meeting of the CITY COUNCIL of the City of Port St. Lucie was called to order by Mayor Martin on May 18, 2022, at 5:31 p.m., at Port St. Lucie City Hall, 121 SW Port St. Lucie Boulevard, Port St. Lucie, Florida.

### 2. Roll Call

Council Members Present:
Mayor Shannon Martin
Vice Mayor Jolien Caraballo
Councilwoman Stephanie Morgan
Councilman Dave Pickett
Councilman Anthony Bonna

# 3. Pledge of Allegiance

Mayor Martin led the assembly in the Pledge of Allegiance.

#### 4. Public to be Heard

Resident James Fort inquired as to how the current solid waste pickup would be handled, and Mayor Martin replied and stated that they would be addressing this topic during item 5b.

#### 5. New Business

**5.a** Award Solid Waste Collection Services Contract #20220061 to FCC Environmental Services Florida, LLC (FCC) for Citywide service.

2022-449

City Manager Blackburn provided an overview of the City's solid waste issue, discussing vendors, the Solid Waste Task Force, and contracts. Mayor Martin asked City Manager Blackburn to clarify why the City did not select 2 haulers, to which City Manager Blackburn replied that they selected one hauler because 2 vendors had dropped out, and the price differential between the two that were left was so substantial that the City Staff had to look at what would be best for value, so a single vendor was recommended.

(Clerk's Note: A PowerPoint presentation was shown at this time.) Caroline Sturgis, OMB Director, thanked all involved in this process and gave a presentation on the background of the procurement assignment, overview of the negotiations and recommendations for a contract award, highlight of the new franchise agreement, and staff recommendations. She advised that staff followed a comprehensive. formal procurement process in compliance with purchasing policies and procedures, and explained in detail the process and background. She then provided a recap of negotiations with FCC Environmental Services and Republic Services, as two other vendors had opted to drop their bids. She stated that FCC had the best package for city-wide services and provided data for the service rates. She stated that City Staff successfully negotiated a contract in 14 days and that the contract would have exclusive service for commercial businesses, a centralized contractor operated by the City, and education and outreach plans which would be approved by City Council on an annual basis. She also stated that the term of the contract was 7 years with one 3-year renewal option, and included a performance bond in the amount of 50% of the annual contract. Ms. Sturgis stated that the contract included price adjustments for water/sewer/trash and that the adjustment would not exceed 4% in any one year. She quoted the value of the new contract as \$34,552,526.40 based on 81,615 households in the City that would be paying an annual rate of \$423.36 for solid waste collection. Ms. Sturgis then discussed the associating breakdown of costs and fees, as well as the new carts that would be distributed to residents.

Ms. Sturgis discussed rate adjustments and the CPI, as well as presented the Inflation Comparison Chart which included the annual City Solid Waste Assessment Rate. Councilman Bonna stated that this chart was the most important slide of the presentation because it displayed that they had been underpaying for solid waste services. Vice Mayor Caraballo advised that the scenario was not the City taking advantage, that the vendor was responsible for the due diligence of

determining the appropriate amount for costs, and Mayor Martin agreed and reiterated that this was previously negotiated with the vendor and a contract was made.

Ms. Sturgis concluded the presentation with staff recommendations, which were to have Council waive any irregularities in the expedited process relating to the request for proposal #20220061 for solid waste collection services as allowed by the Code of Ordinances Section 35.04, and to award the solid waste collection services contract to FCC Environmental Services Florida for citywide services. She stated that they could also amend the recommendation, or not approve and provide staff with new direction.

Vice Mayor Caraballo provided a further breakdown of costs and addressed social media comments. She stated that there was a comment about the City increasing taxes and she advised residents of the difference between an assessment and a tax. She also addressed the comments in reference to switching from twice-a-week service to once-a-week service, stating that it was a decision that was heavily weighed. Councilman Pickett discussed the cost of field operations and stated that it was important for residents to have a dollar amount for reference. Councilwoman Morgan expressed her concerns for the back-door service that was being offered, to which Ms. Sturgis advised that the service was optional upon request with an included additional fee. Mr. Capezzuto added that disabled residents would be able to have the fees waived upon submittal of a medical provider's note.

Mayor Martin asked Mr. Capezzuto to clarify the concerns surrounding the issues that FCC has had with other municipalities, to which Mr. Capezzuto stated that they found negative aspects within Polk County, so they had conversations with the Solid Waste Director of Polk County who had advised that the issues had since been resolved. Dan Brazil, Vice President of Operations for FCC Environmental Services, addressed the concerns with Polk County, stating that they had made great progress in rectifying and correcting issues to fulfill services for contract requirements and kept a close partnership with county staff to ensure that services were provided and in compliance. Councilwoman Morgan asked if Polk County had reduced their pickup area and hired another vendor to take care of the outlying parcels, to which Mr. Brazil responded in the negative and stated that the only adjustment that had taken place was a reduction in recycling pickup from weekly to every other week, but that as of July 1st they were going back to weekly

pickup, and that they themselves had contracted and paid for third-parties to bring in additional support to fulfill the contract.

Councilwoman Morgan asked how they plan to take care of equipment, to which Mr. Brazil replied that they had secured 75 new collection vehicles for this contract and have 2 partnerships with large rental companies for extra assets if needed. Councilwoman Morgan asked about staffing, to which Mr. Brazil replied that they would have roughly 110 positions to fill for this contract, and that they focused on this contract knowing that there had been challenges in the past in the labor market.

Councilman Pickett asked Mr. Brazil to expand on how they plan to swap over commercial containers, to which Mr. Brazil replied that they had already contacted 3 different suppliers from a commercial container standpoint and all 3 were willing and able to meet the production deadlines. He stated that they have not secured which of the 3 suppliers they would like to select, but that once selected they would work with Waste Pro on an exchange program.

Councilman Bonna asked if FCC saw any major changes in serving a whole city versus one zone, to which Mr. Brazil replied that the difference would be the size as it would add more units and resources, but that they did not forecast any issues. Councilman Bonna asked if they had ever been in breach of a contract, to which Mr. Brazil responded in the negative.

Vice Mayor Caraballo asked Mr. Brazil to speak on the transition and experience, and discuss customer service expectations, to which Mr. Brazil replied that for transitions, all of the equipment was pre-ordered, all slots achieved, and everything executed once the executed contract was obtained, which would bring them in line for the units they needed to perform the work. He stated that the 110 open positions were going to be posted in the morning, and that they would start driving the city streets with a map to ensure the routes that they had were correct. He also stated that they would work the incumbent for training on off-cycle time, and that for service, they were the only company that could say that they had never had a liquidated damage and that service was their core value.

Councilman Bonna asked for a summary of the issue in Polk County, to which Mr. Brazil replied that a lot of it went back to the impact of

COVID-19, and that the other piece would be that it was a very hard labor market in Polk, but they provided increases to employee's pay to adjust for the market shift, along with bonuses. Councilman Bonna asked what FCC's commitment was to technology and route management, to which Mr. Brazil replied that they offer tablet solutions, but do have backup paper maps, and that they offer the third-eye camera system on all vehicles which also provided GPS location, along with the equipment of positive service verification that makes an image capture, time stamp, and GPS location which would be shared with City staff.

Mayor Martin asked Mr. Brazil to discuss how big FCC is and what their financial position looks like, to which Mr. Brazil replied that FCC was founded in 1900 and currently employed over 60,000 employees across 37 countries, with the headquarters centered in Madrid, Spain, and the annual revenue was \$7.5 billion. He continued and provided information on the background of FCC.

Councilwoman Morgan asked if there would only be one person on the truck if they switched to automated service, to which Mr. Brazil responded in the affirmative for trash and recycling, but added that bulk and yard waste would have a helper on the back. Councilwoman Morgan asked if there would be assistance with resident education, to which Mr. Brazil responded in the affirmative.

Councilman Pickett asked about the training for the employees for the transition, to which Mr. Brazil replied that they would focus on weekend trainings or whenever they could.

Mayor Martin opened public comment and resident Geoffrey Rogers spoke on the topic of once-a-week pickup, stating that he was concerned about sanitation and smells. He asked if there was a stipulation in the contract that addressed if these concerns continued after a year, and asked who would be the oversight on a future increase. Mr. Rogers also informed the Council that he had previously called the City's 1PSL Program, to which he stated that the operator advised him to "deal with it." City Manager Blackburn expressed his apologies and stated that this was not the expectation for 1PSL and that the response was not tolerated. Mayor Martin apologized for the response as well, and Vice Mayor Caraballo advised Mr. Rogers that City Manager Blackburn would track the complaint.

Resident Michelle Danaluk expressed her concerns and stated that she would like to know the rate that FCC was paying the employees, who the 3 suppliers were, and asked if they had proper dispatch. She also stated that she had concerns about the safety of the training and about the employees being trained in the time frame provided. Ms. Danaluk stated that drivers had ways of manipulating the third-eye camera and hoped that FCC would have managers that would reset the third-eyes, and she stated that she would like to know who does the OBA's. She asked where the FCC operating manual was and if the Council had reviewed them, and also asked if FCC had presented the purchase order for trucks to the Council. Ms. Danaluk also asked who would repair the trucks if they broke down and how quickly would they get the trucks back up, as well as which companies were the rental trucks associated with and how reliable were they.

Resident Steve Carroll asked with whom the medical provider's note would be filed with for the back-door waiver, and stated that Cheney Brothers pulled 100 jobs, citing lack of manpower to do the jobs, so he was concerned that FCC could not get 110 employees. He stated that the containers were bigger than some people, which could cause a logistical problem, and asked what would happen if another pandemic/surge were to happen. He also expressed concerns on education.

Resident James Fort stated that he had not yet received a postcard with his new schedule, and asked how they were going to seamlessly do the transition and would the contractor still be in place for the transition.

Resident Ngoc Luong expressed concerns about technology and cost. He stated that automated service reduced manpower and asked why there would be a cost increase in this case. He stated that communication and transparency should be addressed clearly between the City and Residents and inquired as to what would happen if FCC failed their responsibility.

Resident Michael Moses opposed once-a-week pickup, stating that the residents would be paying more money for less service. He spoke on the Solid Waste Task Force and the litigation. Mayor Martin asked City Attorney James Stokes to speak on the litigation, to which Attorney Stokes stated that the money that was withheld was for charges in the contract for missed pickups, and that the City was within its right to do

so and tried to work with Waste Pro. He also stated that the Judge requested mediation, which was unsuccessful, and that shortly after, Waste Pro submitted a notice of termination for the agreement. Attorney Stokes also informed that they could not just give the money back to keep avoid Waste Pro's termination because it would not have been a good business practice since they had rights in the contract that should be invoked. Councilman Bonna asked if the City had received a proposal letter from Waste Pro before their notice of termination that proposed a reduced service, to which City Manager Blackburn replied that as part of the settlement agreement there were aspects that were not to be made public, but informed that Waste Pro's attorney had sent the signed letter of termination and attached was an unsigned settlement proposal. Vice Mayor Caraballo stated that she did not want to make the meeting about Waste Pro and addressed the comments in regard to more money for less service. She stated that less money for more service had done a disservice to the City, and that the staff had went above and beyond in an attempt to make costs as reasonable as possible.

Russell Mackey, Regional Vice President of Waste Pro Florida, spoke to the Council and stated that they had held the price for years due to the City asking them to hold it because of a housing crash, and that COVID-19 affected Waste Pro. He stated that since COVID-19, Waste Pro had offered 3 proposals to the City to change the service so that they could provide the service that was needed, but the City had denied the proposals, and that all of the changes that Waste Pro had asked for were denied, but were now added into an RFP for the new vendor. He also stated that they had made a proposal that was \$3 million less for the Western district, but that it was not brought up to the public. Mr. Mackey stated that the City had hired 2 experts that informed them that their contract was not sustainable. Mayor Martin stated that Mr. Mackey's version of the events were untrue and that Waste Pro's Operations Manager provided improvement plans with no action taken. She stated that contractors were brought in for a short period of time and then pulled, and that Waste Pro stated that there would be improvements, but there had not. She also stated that in January, per the contract, Waste Pro could have brought in outside contractors, but did not.

Mayor Martin stated that the City had asked for 12-18 months because that was how long it took to get through the transition period, but Waste Pro denied the request and terminated the contract with a 6-month

period. City Manager Blackburn addressed the public comments and stated that the new garbage can would hold as much as a twice-a-week service, and that they would provide public records to Ms. Danaluk. He also stated that the schedule would come out in the City's transition plan which was set to come out in late summer. City Manager Blackburn informed that automated service was less expensive, but because of this period in time, the service market affected the cost, and that they also had to go off of the proposals. Mayor Martin asked City Manager Blackburn to speak on the CPI, to which City Manager Blackburn stated that looking back, they could see that the rate in the Waste Pro contract should have been adjusted. Vice Mayor Caraballo asked if the rate was proposed by Waste Pro or if it was reduced after, to which City Manager Blackburn replied that it was proposed. Mayor Martin stated that an increase was in the contract that was not tied to performance, but the City had gotten pushback from residents due to service issues, so the City decided not to charge the residents, but rather to take it out of the administrative charges, so they held it from Waste Pro. Mayor Martin asked if Waste Pro had an opportunity to put in a bid, to which City Manager Blackburn responded in the affirmative. Mayor Martin asked if Waste Pro had put in a proposal, to which City Manager Blackburn responded in the negative.

Councilman Bonna made remarks in regard to COVID-19 and stated that it was not an excuse for poor performance, and that the Council's number one priority was getting a vendor that would provide the residents with the service they deserved. Vice Mayor Caraballo stated that it was to Waste Pro's benefit to have everyone work together and for Waste Pro to follow through with the contract. Mayor Martin stated that they would be educating and putting out information and updates. Councilwoman Morgan stated that the Solid Waste Task Force had recommended 2 haulers and that it was discussed, but it concerned her that they would be using only one hauler. She stated that she was also concerned because it had been said that 3 proposals were made, but she did not recall seeing 3, and that she was concerned because she has not heard from any businesses and wondered if they knew of the new costs. Councilman Bonna stated that they had done all they could to get 2 vendors, but the pricing was not there during negotiations, so they were trying to provide as much choice as was feasible.

Councilman Pickett moved to waive any irregularities in the expedited process relating to the request for proposal #20220061 Solid Waste Collection Services as allowed by Section 35.04(c) Code of

Ordinances. Vice Mayor Caraballo seconded the motion, which passed unanimously by voice vote.

Councilman Bonna moved to award the Solid Waste Collection Services contract to FCC Environmental Services Florida, LLC. Vice Mayor Caraballo seconded the motion, which passed unanimously by voice vote.

A break was called at 8:01 p.m., and the meeting resumed at 8:20 p.m.

**5.b** Discussion on Solid Waste Collection schedules; Suspension of Recycling Collection schedules; other Waste Pro issues.

**2022-461** 

Mayor Martin acknowledged Eddie Jesus and Lois Cardinale of Waste Pro and thanked them.

City Manager Blackburn introduced Neighborhood Services Director Carmen Capezzuto, who provided information on collection schedules and recycling services. Mr. Capezzuto stated that per Waste Pro's letter, pausing recycling services would allow Waste Pro to place its remaining resources on the prioritization of garbage pickup, and if approved by the City Council, recycling service would be suspended on May 23rd. He stated that if recycling was missed before May 23rd, residents could leave the recycling at the curb and Waste Pro would pick it up and co-mingle it with the garbage pickup this one time. He also stated that the service would be paused to avoid a public health crisis and that once the program was reactivated, residents would be notified. Mr. Capezzuto stated that once Waste Pro was caught up with solid waste collection, they would be able to begin staffing yard waste rear-loaders in addition to the 13 clam trucks that they were operating for bulky waste and vegetation.

Councilwoman Morgan asked if they could bring the recycling to the drop-off center on Cameo Blvd and Crosstown Blvd, to which Mr. Capezzuto responded in the affirmative, and added that Waste Pro would be providing bigger containers for the site. Councilman Pickett asked if they could set increments or would the service be suspended indefinitely, to which Mr. Capezzuto replied that the shorter they could make this pause, the better, and that they could monitor it and make recommendations to the City Manager. Mayor Martin stated that monitoring it would be good, but her concern was in how Waste Pro would obtain additional drivers once the recycling service picked back up again. City Manager Blackburn stated that they currently had administrative charges for non-pickup of any of the 3 components in the

solid waste program, so they would propose to pause the administrative charges on recycling. Vice Mayor Caraballo asked if the public could receive text messages that changes were being made, and asked if the green recycling bin could be used as an additional trash bin and would Waste Pro pick it up, to which Mr. Capezzuto replied that any green bins would be picked up regardless of what was in it because it would be difficult to get the message out to so many people, so if they are left out then Waste Pro would pick them up, but they would still be asking residents not to use them.

Vice Mayor Caraballo asked if Attorney Stokes was in agreement with the City Manager and was comfortable should the Council agree to this proposal due to the current litigation, to which Attorney Stokes responded in the affirmative.

Councilwoman Morgan moved to direct staff to work with Waste Pro on the suspension of recycling and authorize the City Manager to approve and sign an agreement for interim Solid Waste Services. Councilman Pickett seconded the motion which passed unanimously by voice vote.

5.C Request for an Attorney/Client Session with the City Council to Discuss Pending Litigation in the Matter of City of Port St. Lucie v. Waste Pro of Florida, Inc., Case No. 2021-CA-001628. 2022-462

There being no discussion, Councilman Bonna moved to approve an attorney/client session with the City Council to discuss pending litigation in the matter of City of Port St. Lucie v. Waste Pro of Florida, Inc., case no. 2021-CA-001628. Vice Mayor Caraballo seconded the motion, which passed unanimously by voice vote.

## 6. Adjourn

There being no further business,	the meeting was adjou	ırned at 8:46 p.m.
----------------------------------	-----------------------	--------------------

Sally Walsh, City Clerk
Jasmin De Freese, Deputy City Clerk