

From: Swanson, Christopher (CI-StPaul)
To: grevering.sph@gmail.com
Subject: RE: Meeting with ST Paul Consortium to set 2020 Rates
Date: Friday, July 19, 2019 11:28:00 AM

Hi Greg,

So I know the timing didn't work for the meeting that was supposed to occur today. I am reaching out to see if 10 am on July 26th would work for you to meet to start discussing the 2020 rates.

Thanks

Chris

From: grevering.sph@gmail.com [mailto:grevering.sph@gmail.com]
Sent: Tuesday, July 16, 2019 9:02 AM
To: Swanson, Christopher (CI-StPaul) <Christopher.Swanson@ci.stpaul.mn.us>
Subject: RE: Meeting with ST Paul Consortium to set 2020 Rates

Think Before You Click: This email originated outside our organization.

10-4

Greg Revering

Chief Manager

St. Paul Haulers LLC.

grevering.sph@gmail.com

763-295-2054

From: Swanson, Christopher (CI-StPaul) <Christopher.Swanson@ci.stpaul.mn.us>
Sent: Tuesday, July 16, 2019 8:48 AM
To: grevering.sph@gmail.com
Subject: RE: Meeting with ST Paul Consortium to set 2020 Rates

Lets do Friday at 10 AM. I can reserve a room here.

I will send you an invite!

Chris

From: grevering.sph@gmail.com [mailto:grevering.sph@gmail.com]
Sent: Monday, July 15, 2019 3:32 PM
To: Swanson, Christopher (CI-StPaul) <Christopher.Swanson@ci.stpaul.mn.us>
Subject: RE: Meeting with ST Paul Consortium to set 2020 Rates

Think Before You Click: This email originated **outside** our organization.

I can do either.

Greg Revering

Chief Manager

St. Paul Haulers LLC.

grevering.sph@gmail.com

763-295-2054

From: Swanson, Christopher (CI-StPaul) <Christopher.Swanson@ci.stpaul.mn.us>

Sent: Monday, July 15, 2019 3:29 PM

To: grevering.sph@gmail.com

Subject: RE: Meeting with ST Paul Consortium to set 2020 Rates

Can you do this week?

Chris how does Thursday in the afternoon or morning Friday look?

CS

From: grevering.sph@gmail.com [<mailto:grevering.sph@gmail.com>]

Sent: Monday, July 15, 2019 3:28 PM

To: Swanson, Christopher (CI-StPaul) <Christopher.Swanson@ci.stpaul.mn.us>

Subject: RE: Meeting with ST Paul Consortium to set 2020 Rates

Think Before You Click: This email originated **outside** our organization.

Chris,

Tuesday, Wednesday or Thursday are wide open for me next week. It will be just me in the first meeting.

Greg Revering

Chief Manager

St. Paul Haulers LLC.

grevering.sph@gmail.com

763-295-2054

From: Swanson, Christopher (CI-StPaul) <Christopher.Swanson@ci.stpaul.mn.us>

Sent: Monday, July 15, 2019 3:10 PM

To: grevering_sph@gmail.com

Subject: Meeting with ST Paul Consortium to set 2020 Rates

Hi Greg,

I hope you are doing well. I wanted to set a time next week to meet with the STP haulers to look at 2020 rates. We are required to have a meeting before August 1st. Please send me a time that you and the representatives are available to meet next week. Remember that because this is an ordinance change the city is on a very tight timeline. The contract states that by Sept 1, 2020 rates shall be set.

Thanks

Chris

From: grevering.sph@gmail.com [mailto:grevering.sph@gmail.com]

Sent: Wednesday, August 21, 2019 10:06 AM

To: Swanson, Christopher (CI-StPaul) <Christopher.Swanson@ci.stpaul.mn.us>

Cc: dschleck@messerlikramer.com

Subject: Revised Exhibit 4a from OTC Contract (2) (003).docx

Think Before You Click: This email originated **outside** our organization.

Chris,

Please see the attached St. Paul Haulers LLC. proposal for the 2020 Price Adjustment.

Thank you

Greg Revering

Chief Manager

St. Paul Haulers LLC.

grevering.sph@gmail.com

763-295-2054

Consortium Proposed Pricing for 2020

Exhibit 4.a

Service Level		Collection	+ Disposal	= TOTAL	(Units)	
"Base" Trash- Carted Service(\$ per household per month)						
Small cart (e.g., 35-gallon)	Every other week (EOW)	\$9.60	+	\$2.78	= \$12.38	(S / HH / month)
Small cart (e.g., 35-gallon)	Weekly	\$11.44	+	\$3.36	= \$14.80	(S / HH / month)
Medium cart (e.g., 65-gallon)	Weekly	\$12.45	+	\$8.78	= \$21.23	(S / HH / month)
Large cart (e.g., 95-gallon)	Weekly	\$12.45	+	\$10.61	= \$23.06	(S / HH / month)
Trash-Overflow service						
Extra per bag outside cart	As needed			\$3.57		(S / bag)
Extra Cart		\$5.94	+	Appropriate disposal price by cart size		(\$ / HH / month)
Bulky Items:						
For small: EOW and weekly Trash service levels, Bulky Waste price for "up to 2" Bulky Waste items for ongoing Bulky Waste collection service, year-round.	As needed			\$1.57		(S / HH / month)
For medium and large Trash service levels, Bulky Waste price for "up to 3" bulky items for ongoing Bulky Waste collection service, year-round.	As needed			\$2.36		(S / HH / month)
(See Exhibit 4.b for the added charges for Bulky Waste items above the 2 or 3 maximum per year)						
Additional Service Charges:						
Walk up service up to 100 feet (Residents who do not meet criteria for No Charge)	As needed			\$25.45	per trash cart	(\$ / HH / month)
Walk up service over 100 feet (Residents who do not meet criteria for No Charge)	As needed			\$50.90	per trash cart	(\$ / HH / month)
Return fee or Off day service pick up	As needed			\$40.72		(per request)

Cart size change fee (if more than one per year)	As needed		\$25.45	(per request)
Yard Waste: (Yard waste prices shall be inclusive of collection and processing/composting.)				
Subscription (Ongoing 2019 and beyond):				
Full season yard waste subscription service with a 65 gallon cart (includes up to 8 extra compostable bags outside of cart)	Weekly during season	April 15 through November 30, (weather permitting).	\$122.16	(\$/HH/year)
Non-subscription service: Per compostable bag	As needed	April 15 through November 30, (weather permitting).	\$3.05	(\$/bag)
Holiday Tree Pickup - 6 ft. limit; January 1-15th			"No charge"	
Additional Price: Cart Removal Fee from Vacant Properties			"No charge"	
Additional Price for the Haulers Do the Billing			\$2.03	(\$/HH/month)

Base Cost					
Cart Size	2019 Base cost	2020 Cost	Change	% Increase	
Sm EOW	\$ 11.41	\$ 12.38	\$ 0.97	9%	
Sm W	\$ 13.71	\$ 14.80	\$ 1.09	8%	
Medium	\$ 19.27	\$ 21.23	\$ 1.96	10%	
Large	\$ 20.81	\$ 23.06	\$ 2.25	11%	

Bulky Breakdown					
Cart Size	2018 Cost (Bulky)	2020 Cost (Bulky)	Change	% Increase	
Sm EOW	\$ 1.32	\$ 1.57	\$ 0.25	18.9%	
Sm W	\$ 1.32	\$ 1.57	\$ 0.25	18.9%	
Medium	\$ 1.99	\$ 2.36	\$ 0.37	18.6%	
Large	\$ 1.99	\$ 2.36	\$ 0.37	18.6%	

Billing Breakdown					
Cart Size	2018 Billing Cost	2020 Billing Cost	Change	% Increase	
Sm EOW	\$ 1.99	\$ 2.03	\$ 0.04	2.01%	
Sm W	\$ 1.99	\$ 2.03	\$ 0.04	2.01%	
Medium	\$ 1.99	\$ 2.03	\$ 0.04	2.01%	
Large	\$ 1.99	\$ 2.03	\$ 0.04	2.01%	

Cart Cost									
Cart Size	2018 Billing Cost	2020 Billing Cost	Change	% Increase	2018 Quarter cost	2020 Quarter cost	Change	% Increase	
Sm EOW	\$ 14.72	\$ 15.98	\$ 1.26	9%	\$ 60.83	\$ 66.04	\$ 5.21	9%	
Sm W	\$ 17.02	\$ 18.40	\$ 1.38	8%	\$ 70.34	\$ 76.04	\$ 5.70	8%	
Medium	\$ 23.25	\$ 25.62	\$ 2.37	10%	\$ 96.08	\$ 105.87	\$ 9.79	10%	
Large	\$ 24.79	\$ 27.45	\$ 2.66	11%	\$ 102.44	\$ 113.44	\$ 10.99	11%	

Haulers Proposal Totals					
Cart Size	Number of Carts	Change	Annual Increase	Total Increase	
Sm EOW	5111	\$ 5.21	\$ 20.83	\$ 106,450.89	
Sm W	17666	\$ 5.70	\$ 22.81	\$ 402,986.19	
Medium	29070	\$ 9.79	\$ 39.18	\$ 1,138,849.23	
Large	20245	\$ 10.99	\$ 43.97	\$ 890,168.60	
				\$ 2,538,454.91	

Additional Service Cost

Additional Services	2019 Base cost	2020 Cost	Change	% Increase
Overflow	\$ 3.00	\$ 3.57	\$ 0.57	19.0%
Walk up	\$ 25.00	\$ 25.45	\$ 0.45	1.8%
Walk up (100 ft)	\$ 50.00	\$ 50.90	\$ 0.90	1.8%
Return Fee	\$ 40.00	\$ 40.72	\$ 0.72	1.8%
cart change	\$ 25.00	\$ 25.45	\$ 0.45	1.8%
Yard Waste	\$ 120.00	\$ 122.16	\$ 2.16	1.8%
Per bag	\$ 3.00	\$ 3.05	\$ 0.05	1.7%

From: [Swanson, Christopher \(CI-StPaul\)](#)
To: grevering.sph@gmail.com
Bcc: [Heng, Steven \(CI-StPaul\)](#); [Chao, Diana \(CI-StPaul\)](#)
Subject: RE: Please send info from meeting yesterday
Date: Wednesday, August 28, 2019 10:17:00 AM
Attachments: [Parameters for 2020 Rate Discussion 8-27-2019 Final.docx](#)

Here is the parameters sheet.

Chris

From: grevering.sph@gmail.com [mailto:grevering.sph@gmail.com]
Sent: Wednesday, August 28, 2019 10:10 AM
To: Swanson, Christopher (CI-StPaul) <Christopher.Swanson@ci.stpaul.mn.us>
Subject: RE: Please send info from meeting yesterday

Think Before You Click: This email originated **outside** our organization.

Parameter sheet as well.

Thank you

Greg Revering

Chief Manager

St. Paul Haulers LLC.

grevering.sph@gmail.com

763-295-2054

From: Swanson, Christopher (CI-StPaul) <Christopher.Swanson@ci.stpaul.mn.us>
Sent: Wednesday, August 28, 2019 10:08 AM
To: grevering.sph@gmail.com
Subject: RE: Please send info from meeting yesterday

Hi Greg,

Here is the hauler rate summary that I created.

If you have any question please don't hesitate to contact me!

Chris

From: grevering.sph@gmail.com [mailto:grevering.sph@gmail.com]
Sent: Wednesday, August 28, 2019 9:54 AM
To: Swanson, Christopher (CI-StPaul) <Christopher.Swanson@ci.stpaul.mn.us>

Subject: Please send info from meeting yesterday

Think Before You Click: This email originated **outside** our organization.

Chris,
Please send info from the meeting yesterday.

Thank you

Greg Revering

Chief Manager

St. Paul Haulers LLC.

grevering.sph@gmail.com

763-295-2054

Rate Summary from SPH Proposal 8-21-19

Base Cost					
Cart Size	2019 Base cost	2020 Cost	Change	% Increase	
Sm EOW	\$ 11.41	\$ 12.38	\$ 0.97	9%	
Sm W	\$ 13.71	\$ 14.80	\$ 1.09	8%	
Medium	\$ 19.27	\$ 21.23	\$ 1.96	10%	
Large	\$ 20.81	\$ 23.06	\$ 2.25	11%	

Bulky Breakdown					
Cart Size	2018 Cost (Bulky)	2020 Cost (Bulky)	Change	% Increase	
Sm EOW	\$ 1.32	\$ 1.57	\$ 0.25	18.9%	
Sm W	\$ 1.32	\$ 1.57	\$ 0.25	18.9%	
Medium	\$ 1.99	\$ 2.36	\$ 0.37	18.6%	
Large	\$ 1.99	\$ 2.36	\$ 0.37	18.6%	

Billing Breakdown					
Cart Size	2018 Billing Cost	2020 Billing Cost	Change	% Increase	
Sm EOW	\$ 1.99	\$ 2.03	\$ 0.04	2.01%	
Sm W	\$ 1.99	\$ 2.03	\$ 0.04	2.01%	
Medium	\$ 1.99	\$ 2.03	\$ 0.04	2.01%	
Large	\$ 1.99	\$ 2.03	\$ 0.04	2.01%	

Cart Cost									
Cart Size	2018 Billing Cost	2020 Billing Cost	Change	% Increase	2018 Quarter cost	2020 Quarter cost	Change	% Increase	
Sm EOW	\$ 14.72	\$ 15.98	\$ 1.26	9%	\$ 60.83	\$ 66.04	\$ 5.21	9%	
Sm W	\$ 17.02	\$ 18.40	\$ 1.38	8%	\$ 70.34	\$ 76.04	\$ 5.70	8%	
Medium	\$ 23.25	\$ 25.62	\$ 2.37	10%	\$ 96.08	\$ 105.87	\$ 9.79	10%	
Large	\$ 24.79	\$ 27.45	\$ 2.66	11%	\$ 102.44	\$ 113.44	\$ 10.99	11%	

Haulers Proposal Totals					
Cart Size	Number of Carts	Change	Annual Increase	Total Increase	
Sm EOW	5111	\$ 5.21	\$ 20.83	\$ 106,450.89	
Sm W	17666	\$ 5.70	\$ 22.81	\$ 402,986.19	
Medium	29070	\$ 9.79	\$ 39.18	\$ 1,138,849.23	
Large	20245	\$ 10.99	\$ 43.97	\$ 890,168.60	
				\$ 2,538,454.91	

Rate Summary from SPH Proposal 8-21-19

Additional Service Cost					
Additional Services	2019 Base cost	2020 Cost	Change	% Increase	
Overflow	\$ 3.00	\$ 3.57	\$ 0.57	19.0%	
Walk up	\$ 25.00	\$ 25.45	\$ 0.45	1.8%	
Walk up (100 ft)	\$ 50.00	\$ 50.90	\$ 0.90	1.8%	
Return Fee	\$ 40.00	\$ 40.72	\$ 0.72	1.8%	
cart change	\$ 25.00	\$ 25.45	\$ 0.45	1.8%	
Yard Waste	\$ 120.00	\$ 122.16	\$ 2.16	1.8%	
Per bag	\$ 3.00	\$ 3.05	\$ 0.05	1.7%	

Parameters for 2020 Rate Discussion (8-27-19)

Items 1: Collection Costs- The Fuel Portion of the Trash Collection Costs shall make up 10% of the total Collection Costs. The Non-Fuel Portion of the Trash Collection Costs shall make up 90% of the Trash Collection Costs.

Fuel Surcharge-Per 3.1.2: The Fuel Portion of the Trash Collection Costs shall be adjusted on an annual basis based on increases in the price of fuel above the Base Fuel Price of \$3.50. The Fuel Surcharge shall be \$0 if the average fuel price for the previous 12 months is at or below the Base Fuel Price

- The average fuel price as of August 2019 is at or below the Base Fuel Price. There is no adjustment on the Fuel Portion of the Collection cost.

Non-Fuel- Consumer Price Index Adjustment

- The annual CPI increase for the Midwest Region - All items less energy is 1.8%.
- The annual CPI increase is only applicable to the non-fuel portion of the base collection price (i.e. does not apply to billing cost)
 - Per 3.1.3: The Non-Fuel Portion of the Trash Collection shall be subject to an increase (but not a decrease) equal to the increase, if any, during the prior twelve-month period in Consumer Price Index. The annual increase, if any, shall be an amount equal to the percentage increase for the previous twelve-month period in the referenced CPI-U index with the amount of the increase based on the most current information available from the U.S. Department of Labor.
 - Per Exhibit 4a: Annual increases on the non-fuel portion of the base collection price only (not the disposal price or other prices) will be allowed annually.

Based on haulers initial proposal they believe the cost of the non-fuel disposal collection part of resident's bill should go up 5.8 %. CPI goes up only 1.8% and there is no change in the fuel charge. Why the additional cost increase proposed by the haulers?

Item 2: Disposal Costs

Disposal Costs (3.1.5): The disposal portion of the Trash Collection Costs for all service levels shall be negotiated by the parties and adjusted annually based on: 1) changes to the hauler "Net Contracted Rate" (rate minus any discount or rebate) for disposal costs at the Trash Disposal Facility; and 2) the actual average tonnages collected per gallon per household in the prior 12 months.

- The City is using the tonnage data that was reported by the haulers in the Hauler Portal to calculate disposal costs. We will only have Hauler Portal numbers through July 2019.
- The total tonnage reported in the Portal from October 2018 through June 2019 is 41,356.76. The total tonnage reported by the haulers external from the Portal is 41,357.60. A difference of less than a ton. .85 to be exact.

Based on haulers initial proposal they believe the disposal rates increases 18.8%. That is the increase in per tonnage costs at the REC center. This figure does not consider the decrease in tonnage collected by the haulers. Based on the tonnages reported by the hauler there is less material collected than originally expected by haulers looking at actual average tonnages collected per gallon per household.

Item 3: Additional items

Additional items not changed by annual price adjustment- Per 3.1.2: The annual CPI increase is only applicable to the non-fuel portion of the base collection price and does not apply to billing cost for the following additional services.

- Overflow
- Walk up
- Walk up (100 ft)
- Return Fee
- cart change
- Yard Waste Per bag



CITY OF SAINT PAUL
Melvin W. Carter, Mayor

1500 City Hall Annex
25 W. Fourth Street
Saint Paul, MN 55102-1660

Fax: 651-266-6222

August 30, 2019

Greg Revering
Chief Manager
St. Paul Haulers LLC.

Re: Trash Hauling Rates For 2020

Dear Mr. Revering

I am writing to you as a follow-up to the meeting held between the City of Saint Paul ("City") and the St. Paul Haulers LLC ("Haulers") on August 27, 2019. At that meeting, the Haulers presented a proposal for the 2020 billing rates for the organized trash collection program.

The City established organized trash collection to reduce traffic on our residential streets, and provide equity across our neighborhoods in service and price. Since implementation in October 2018, we have heard many frustrations from Saint Paul residents. At this time, there is an opportunity for the City and the Haulers to come together and address the primary concerns of residents.

The residents' primary concerns are 1) the price of service; 2) the inability for duplexes, triplexes and four-plexes to share carts and 3) the inability for townhomes to opt out of organized collection. The City would like to discuss an amendment to the contract in regard to these issues

The City proposes a reduction in the trash hauling rates for 2020.

The City also proposes permitting limited cart sharing including requiring duplexes to have at least 1 large cart between the two units; triplexes to have at least 1 medium cart and 1 small cart; and four-plexes to have at least 1 large cart and 1 medium cart. Those minimum cart combinations are an approximation of the total capacity currently required.

The City also proposes that townhomes, which are part of an association, be permitted to opt out of the organized collection program. This will allow townhomes associations to handle the trash collection within their association.

The City must have final rates settled by September 25, 2019. There is limited time in which to come to a



An Affirmative Action Equal Opportunity Employer



Need this translated? Call us at 651-266-6100

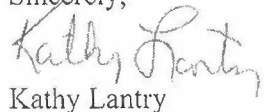
Necesita esta traducción? Comuníquese con nosotros al 651-266-6100

Ma u baahan tahay tarjamadaan Naga soo wac 651-266-6100

Xav tau qhov no txhais los? Hu rau peb ntawm 651-266-6100

negotiated agreement. Please give Chris Swanson a call to set up a meeting to discuss these proposals. The City is prepared to meet with the Haulers starting the week of September 3.

Sincerely,

A handwritten signature in cursive script that reads "Kathy Lantry".

Kathy Lantry

Cc: Chris Swanson

Tierney, Rachel (CI-StPaul)

From: Swanson, Christopher (CI-StPaul)
Sent: Friday, September 6, 2019 10:41 AM
To: grevering.sph@gmail.com
Subject: RE: Trash Hauling Rates for 2020

Hi Greg,

I am responding to your email and attached letter. I am writing to see if the haulers are interested in sitting down and finding a global solution that includes the three following items outlined in our Aug 30th letter.

1. The City proposes a reduction in the trash hauling rates for 2020;
2. The City also proposes permitting limited cart sharing including requiring duplexes to have at least 1 large cart between the two units; triplexes to have at least 1 medium cart and 1 small cart; and four-plexes to have at least 1 large cart and 1 medium cart. Those minimum cart combinations are an approximation of the total capacity currently required;
3. The City proposes that townhomes, which are part of an association, currently included in the program, be permitted to opt out of the organized collection program if they choose.

Our questions are if the haulers want to sit down and discuss these three items. **Yes or No answer.**

If the answer is no they don't want to negotiate, then we will send our 2020 rates according to the terms of the contract.

Thanks

Chris

From: grevering.sph@gmail.com [mailto:grevering.sph@gmail.com]
Sent: Thursday, September 5, 2019 7:16 AM
To: Swanson, Christopher (CI-StPaul) <Christopher.Swanson@ci.stpaul.mn.us>
Subject: FW: Trash Hauling Rates for 2020

Think Before You Click: This email originated **outside** our organization.

Chris,

As I recall from our meeting we were to receive a counter proposal in the form of the Exhibit 4.a. Please send me your counter proposal.

Thank you

Greg Revering
Chief Manager
St. Paul Haulers LLC.
grevering.sph@gmail.com

763-295-2054

From: Lantry, Kathy (CI-StPaul) <kathy.lantry@ci.stpaul.mn.us>

Sent: Friday, August 30, 2019 4:29 PM

To: 'grevering.sph@gmail.com' <grevering.sph@gmail.com>

Subject: Trash Hauling Rates for 2020



Kathy Lantry

Director

Department of Public Works

Pronouns: She/Her

25 West 4th Street, 1500 CHA

Saint Paul, MN 55102

P: 651-266-6099

F: 651-266-6222

kathy.lantry@ci.stpaul.mn.us

The Most Livable
City in America

From: [Swanson, Christopher \(CI-StPaul\)](#)
To: grevering.sph@gmail.com
Cc: [Lantry, Kathy \(CI-StPaul\)](#); [Heng, Steven \(CI-StPaul\)](#); [Tierney, Rachel \(CI-StPaul\)](#)
Subject: RE: Trash Hauling Rates for 2020
Date: Tuesday, September 10, 2019 2:43:35 PM
Attachments: [City Proposed Rates Final 9-10-2019.pdf](#)

Greg,

Please find the City's response to the Consortium's proposed rate changes. As stated in the letter, if the Haulers wish to schedule a meeting to discuss the 2020 garbage rates, please contact me as soon as possible at 651-266-8897 or by email . The City remains prepared to meet with the Haulers.

Thank you,

Chris

From: grevering.sph@gmail.com [mailto:grevering.sph@gmail.com]
Sent: Monday, September 9, 2019 9:14 AM
To: Swanson, Christopher (CI-StPaul) <Christopher.Swanson@ci.stpaul.mn.us>
Cc: dschleck@messerlikramer.com
Subject: RE: Trash Hauling Rates for 2020

Think Before You Click: This email originated **outside** our organization.

Dear Chris, the St. Paul Haulers Consortium is not interested in meeting and discussing the 3 items listed below in your email. Please send us the City's response to the Consortium's proposed changes to Exhibit 4.a to the OTC Contract sent to you on August 21, 2019.

Thank you

Greg Revering

Chief Manager

St. Paul Haulers LLC.

grevering.sph@gmail.com

763-295-2054

From: Swanson, Christopher (CI-StPaul) <Christopher.Swanson@ci.stpaul.mn.us>
Sent: Friday, September 6, 2019 10:41 AM
To: grevering.sph@gmail.com
Subject: RE: Trash Hauling Rates for 2020

Hi Greg,

I am responding to your email and attached letter. I am writing to see if the haulers are interested in sitting down and finding a global solution that includes the three following items outlined in our Aug 30th letter.

1. The City proposes a reduction in the trash hauling rates for 2020;
2. The City also proposes permitting limited cart sharing including requiring duplexes to have at least 1 large cart between the two units; triplexes to have at least 1 medium cart and 1 small cart; and four-plexes to have at least 1 large cart and 1 medium cart. Those minimum cart combinations are an approximation of the total capacity currently required;
3. The City proposes that townhomes, which are part of an association, currently included in the program, be permitted to opt out of the organized collection program if they choose.

Our questions are if the haulers want to sit down and discuss these three items. **Yes or No answer.**

If the answer is no they don't want to negotiate, then we will send our 2020 rates according to the terms of the contract.

Thanks

Chris

From: grevering.sph@gmail.com [<mailto:grevering.sph@gmail.com>]
Sent: Thursday, September 5, 2019 7:16 AM
To: Swanson, Christopher (CI-StPaul) <Christopher.Swanson@ci.stpaul.mn.us>
Subject: FW: Trash Hauling Rates for 2020

Think Before You Click: This email originated **outside** our organization.

Chris,

As I recall from our meeting we were to receive a counter proposal in the form of the Exhibit 4.a. Please send me your counter proposal.

Thank you

Greg Revering

Chief Manager

St. Paul Haulers LLC.

grevering.sph@gmail.com

763-295-2054

From: Lantry, Kathy (CI-StPaul) <kathy.lantry@ci.stpaul.mn.us>
Sent: Friday, August 30, 2019 4:29 PM
To: 'grevering.sph@gmail.com' <grevering.sph@gmail.com>
Subject: Trash Hauling Rates for 2020



Kathy Lantry

Director

Department of Public Works

Pronouns: She/Her

25 West 4th Street, 1500 CHA

Saint Paul, MN 55102

P: 651-266-6099

F: 651-266-6222

kathy.lantry@ci.stpaul.mn.us



CITY OF SAINT PAUL
Melvin W. Carter, Mayor

1500 City Hall Annex
25 W. Fourth Street
Saint Paul, MN 55102-1660

Fax: 651-266-6222

September 10, 2019

Mr. Greg Revering
Chief Manager
St. Paul Haulers LLC.

Dear Mr. Revering,

The City received the St. Paul Haulers Consortium's email dated September 9, 2019. This email stated the haulers are not interested in looking at contract changes for the items we outlined in our August 30, 2019 letter. When the City and the Consortium met on August 27, 2019, the City specifically rejected the Consortium's proposed changes sent on August 21, 2019.

Included in this letter, please find the City's proposed rates for 2020.

2020 St Paul Garbage Collection Rates (Including Taxes)

Cart Size	2019 Quarterly Rates	2020 Quarterly Rate
Sm EOW	\$ 60.83	\$ 56.77
Sm W	\$ 70.34	\$ 66.29
Medium	\$ 96.08	\$ 92.01
Large	\$ 102.44	\$ 98.37

As we have not agreed on new rates, the City's proposed rates are based on the required price adjustments set forth in section 3 (Annual Price Adjustments) in the OTC contract.

Section 3.1 requires that the Council approve any price adjustment mandated by the provisions in section 3. Section 3.1.1 provides that 10% of the Trash Collection Costs is fuel costs; the other 90% is non-fuel costs. Pursuant to section 3.1.3, the annual increase in non-fuel costs is equal to the percentage increase of the CPI-U index for the previous 12-month period. In the City's proposed rates, 90% of the Trash Collection Costs has been adjusted upward by an amount equal to 1.8%.

Section 3.1.5 provides that the disposal portion of the Trash Collection Costs shall be adjusted annually based on the changes to the hauler's "net contracted rate" and the actual average tonnages collected in the prior 12 months. The net contract rate for 2020 equal \$82 per ton. The tonnage



An Affirmative Action Equal Opportunity Employer



Need this translated? Call us at 651-266-6100

Necesita esta traducción? Comuníquese con nosotros al 651-266-6100

Ma u baahan tahay tarjamadaan Naga soo wac 651-266-6100

Xav tau qhov no txhais los? Hu rau peb ntawm 651-266-6100

collected in 2019 equals 56066.12 tons. The total disposal cost equals \$ \$4,597,422.21. This represented a decrease in total collection costs from the contract rates in 2019 (\$5,478,396.48).

Sections 3.1.2 and 3.1.4 do not provide for any adjustment in the contract rates for 2020.

The increase in non-fuel costs and the decrease in disposal costs result in a net decrease in rates for 2020. The total decrease in rates was split evenly as a flat rate decrease per month per cart between the different cart sizes.

If the Haulers wish to schedule a meeting to discuss the 2020 garbage rates, please contact me as soon as possible at 651-266-8897 or at christopher.swanson@ci.stpaul.mn.us . The City remains prepared to meet with the Haulers.

Sincerely,



Chris Swanson
Solid Waste Program Supervisor

cc: Kathy Lantry, Public Works Director
Rachel Tierney, Deputy City Attorney
Steven Heng, Assistant City Attorney

From: Swanson, Christopher (CI-StPaul)
To: grevering.sph@gmail.com
Cc: Lantry, Kathy (CI-StPaul); Tierney, Rachel (CI-StPaul); Heng, Steven (CI-StPaul)
Subject: RE: Trash Hauling Rates for 2020
Date: Wednesday, September 11, 2019 4:16:25 PM
Attachments: image002.png

Hi Greg,

Here is the mathematical breakdown of the 2020 Garbage hauling rates.

2020 Garbage Hauling Breakdown										
Cart Size	Non-Fuel	Fuel	Billing	Bulkies	Disposal	Subtotal	CEC	MSWT	2020 Monthly Charge	2020 Quarterly Rate
Sm EOW	\$ 8.31	\$ 0.91	\$ 1.99	\$ 1.32	\$ 1.88	\$ 14.40	\$ 3.89	\$ 1.40	\$ 18.92	\$ 56.77
Sm W	\$ 9.97	\$ 1.09	\$ 1.99	\$ 1.32	\$ 2.37	\$ 16.74	\$ 4.52	\$ 1.63	\$ 22.10	\$ 66.29
Medium	\$ 10.88	\$ 1.19	\$ 1.99	\$ 1.99	\$ 6.38	\$ 22.43	\$ 6.06	\$ 2.19	\$ 30.67	\$ 92.01
Large	\$ 10.88	\$ 1.19	\$ 1.99	\$ 1.99	\$ 7.49	\$ 23.54	\$ 6.36	\$ 2.29	\$ 32.79	\$ 98.37

If you have any questions please do not hesitate to send me an email or give me a call. As stated in the letter, if the Haulers wish to schedule a meeting to discuss the 2020 garbage rates, please contact me as soon as possible at 651-266-8897 or by email. The City remains prepared to meet with the Haulers.

Have a wonderful day!

Chris

From: grevering.sph@gmail.com [mailto:grevering.sph@gmail.com]
Sent: Tuesday, September 10, 2019 4:44 PM
To: Swanson, Christopher (CI-StPaul) <Christopher.Swanson@ci.stpaul.mn.us>
Subject: RE: Trash Hauling Rates for 2020

Think Before You Click: This email originated outside our organization.

Chris,
Please send the breakdown mathematically if possible.

Greg Revering
 Chief Manager
 St. Paul Haulers LLC.
grevering.sph@gmail.com
 763-295-2054

From: Swanson, Christopher (CI-StPaul) <Christopher.Swanson@ci.stpaul.mn.us>
Sent: Tuesday, September 10, 2019 3:55 PM
To: grevering.sph@gmail.com
Cc: Lantry, Kathy (CI-StPaul) <kathy.lantry@ci.stpaul.mn.us>; Heng, Steven (CI-StPaul) <steven.heng@ci.stpaul.mn.us>; Tierney, Rachel (CI-StPaul) <rachel.tierney@ci.stpaul.mn.us>
Subject: RE: Trash Hauling Rates for 2020

My apologies Greg,

I included a wrong date in the letter. Please see updated letter. I am sorry for any momentary confusion this may have caused.

Chris

From: Swanson, Christopher (CI-StPaul)
Sent: Tuesday, September 10, 2019 2:44 PM
To: grevering.sph@gmail.com
Cc: Lantry, Kathy (CI-StPaul) <kathy.lantry@ci.stpaul.mn.us>; Heng, Steven (CI-StPaul) <steven.heng@ci.stpaul.mn.us>; Tierney, Rachel (CI-StPaul) <rachel.tierney@ci.stpaul.mn.us>
Subject: RE: Trash Hauling Rates for 2020

Greg,

Please find the City's response to the Consortium's proposed rate changes. As stated in the letter, if the Haulers wish to schedule a meeting to discuss the 2020 garbage rates, please contact me as soon as possible at 651-266-8897 or by email. The City remains prepared to meet with the Haulers.

Thank you,

Chris

From: grevering_sph@gmail.com [mailto:grevering_sph@gmail.com]
Sent: Monday, September 9, 2019 9:14 AM
To: Swanson, Christopher (CI-StPaul) <Christopher.Swanson@ci.stpaul.mn.us>
Cc: d.schleck@mexserlikramer.com
Subject: RE: Trash Hauling Rates for 2020

Think Before You Click: This email originated outside our organization.

Dear Chris, the St. Paul Haulers Consortium is not interested in meeting and discussing the 3 items listed below in your email. Please send us the City's response to the Consortium's proposed changes to Exhibit 4.a to the OTC Contract sent to you on August 21, 2019.

Thank you

Greg Revering
Chief Manager
St. Paul Haulers LLC.
grevering_sph@gmail.com

763-295-2054

From: Swanson, Christopher (CI-StPaul) <Christopher.Swanson@ci.stpaul.mn.us>
Sent: Friday, September 6, 2019 10:41 AM
To: grevering_sph@gmail.com
Subject: RE: Trash Hauling Rates for 2020

Hi Greg,

I am responding to your email and attached letter. I am writing to see if the haulers are interested in sitting down and finding a global solution that includes the three following items outlined in our Aug 30th letter.

1. The City proposes a reduction in the trash hauling rates for 2020;
2. The City also proposes permitting limited cart sharing including requiring duplexes to have at least 1 large cart between the two units; triplexes to have at least 1 medium cart and 1 small cart; and four-plexes to have at least 1 large cart and 1 medium cart. Those minimum cart combinations are an approximation of the total capacity currently required;
3. The City proposes that townhomes, which are part of an association, currently included in the program, be permitted to opt out of the organized collection program if they choose.

Our questions are if the haulers want to sit down and discuss these three items. **Yes or No answer.**

If the answer is no they don't want to negotiate, then we will send our 2020 rates according to the terms of the contract.

Thanks

Chris

From: grevering_sph@gmail.com [mailto:grevering_sph@gmail.com]
Sent: Thursday, September 5, 2019 7:16 AM
To: Swanson, Christopher (CI-StPaul) <Christopher.Swanson@ci.stpaul.mn.us>
Subject: FW: Trash Hauling Rates for 2020

Think Before You Click: This email originated outside our organization.

Chris,

As I recall from our meeting we were to receive a counter proposal in the form of the Exhibit 4.a. Please send me your counter proposal.

Thank you

Greg Revering

Chief Manager

St. Paul Haulers LLC.

grevering.sph@gmail.com

763-295-2054

From: Lantry, Kathy (CI-StPaul) <kathy.lantry@ci.stpaul.mn.us>

Sent: Friday, August 30, 2019 4:29 PM

To: 'grevering.sph@gmail.com' <grevering.sph@gmail.com>

Subject: Trash Hauling Rates for 2020



Kathy Lantry

Director

Department of Public Works

Pronouns: She/Her

25 West 4th Street, 1500 CHA

Saint Paul, MN 55102

P: 651-266-6099

F: 651-266-6222

kathy.lantry@ci.stpaul.mn.us

From: [Daniel S. Schleck](#)
To: [Tierney, Rachel \(CI-StPaul\)](#); [Swanson, Christopher \(CI-StPaul\)](#)
Cc: [Greg Revering - E&M Consulting Services, Inc. \(grevering.sph@gmail.com\)](#)
Subject: Upcoming Meeting Between the City of St. Paul and St. Paul Haulers, LLC
Date: Wednesday, September 18, 2019 3:47:35 PM
Attachments: [image002.png](#)
[imageca4888.PNG](#)

Think Before You Click: This email originated **outside** our organization.

Dear Rachael and Chris,

As you know, last week, we received from you, the City's latest proposal for annual pricing adjustments to the OTC contract between the City and the Consortium. The Board of Governors for the Consortium met to discuss this latest proposal from the City and discuss a response. The Consortium feels there is another matter that must be addressed prior to discussions on the annual pricing adjustments.

As you will recall, when Judge Castro's order on the lawsuit between the Residents and the City over putting a referendum on the ballot regarding organized collection was originally issued which required the City to cease organized collection on July 1, 2019, the City and the Consortium entered into negotiations on an amendment to the OTC Contract which would essentially provide that the City would take over all payments required. One version of such an amendment was approved by the City Council at its meeting on June 26, 2019. The current addendum to the OTC Agreement adopted by Council on June 26th was not approved by the Consortium. As you will recall, an alternative version of the Amendment was proposed to you and the City on the same day (attached).

At our upcoming meeting on Thursday of this week, the Board of the Consortium has instructed us to meet with you for the purpose of discussing the finalization of the terms of the Amendment prior to discussing and price adjustment.

The vote of the citizens of St. Paul will take place before the end of 2019 and Consortium and the City have not agreed on the contingency plan for addressing a possible rescission of Ordinance 18-39. The Consortium believes that it is in the best interest of the City and its residents to address a contingency plan for rescission of the OTC ordinance before discussing pricing given the Citizen's vote on the referendum will occur before the end of 2019 and any price adjustment will not apply until January of 2020 and also need to be part of any Amendment required.

Please let us know if you have any specific agenda items besides the Amendment you would like to discuss on Thursday at our meeting.

**RESIDENTIAL SOLID WASTE, YARD WASTE AND BULKY WASTE COLLECTION
AGREEMENT**

This Second Amendment to the Residential Solid Waste, Yard Waste and Bulky Waste Collection Agreement (“Amendment”) is made between the City of Saint Paul, a municipal corporation (hereafter “City”), and St. Paul Haulers, LLC, a Minnesota limited liability company (hereinafter “Consortium” and each member of the St. Paul Haulers, LLC, a “Consortium Member”) effective this __ day of June, 2019.

RECITALS.

WHEREAS, the City and Consortium have entered into a Residential Solid Waste, Yard Waste and Bulky Waste Agreement dated November 14, 2017, and entered into that certain First Amendment to the Residential Solid Waste, Yard Waste and Bulky Waste Agreement dated December 19, 2018 (collectively, the “Agreement”); and

WHEREAS on September 5, 2018, the City adopted Ordinance 18-39 which created Chapter 220, entitled “Residential Coordinated Collection”, adopting regulations related to the care of trash, the duties of property owners, defined services, adopted the fees for base level services, and described what happens when property owners fail to pay; and

WHEREAS, the City received a petition for a referendum to repeal Ord. 18-39 on October 16, 2018, which the City Council determined could not be placed on the ballot because it was preempted by State law and unconstitutionally interfered with the Agreement; and

WHEREAS, on February 7, 2019, the Petitioners in support of repeal of Chapter 220 (“Petitioners”) filed a lawsuit in Ramsey County District Court challenging the City’s decision not to place Ord. 18-39 on the ballot, *Clark v. City of Saint Paul*, District Court File No. 62-CV-19-857 (hereinafter *Clark v. City*); and

WHEREAS, on May 30, 2019, Ramsey County District Court Judge Leonard Castro ordered

the City to place Ord. 18-39 on the November 5, 2019 General Election ballot; and

WHEREAS, Judge Castro's order also suspended Ord. 18-39 pending the election effective June 30, 2019; and

WHEREAS, the City has applied for a stay of Judge Castro's Order and Judge Castro has not ruled as of June 26, 2019; and

WHEREAS, the City has appealed Judge Castro's order to the Minnesota Supreme Court; and

WHEREAS, in recognition of the impact of Judge Castro's order, the City and the Consortium wish to amend the Agreement as set forth in this Amendment.

NOW THEREFORE, in consideration of the promises, covenants and agreements made herein, the City and the Consortium hereby agree as follows:

1. General Terms.

- A. Definitions. Any word or phrase not specifically defined in this Amendment shall have the meaning given to such word or phrase in the Agreement. Should there be any conflict between the definition of any terms, words or phrases between this Amendment and the Agreement, the definition of such term, word or phrase as given in the Agreement shall control.
- B. No Additional Reporting. The City specifically, acknowledges and agrees that neither the Consortium, nor its individual Members shall be required to provide any additional reporting to the City, beyond that defined in the Agreement, as a result of this Amendment.
- C. Effective Period. TBD

1) During the Effective Period and for the remainder of the quarter in which the Amendment terminates, and for the quarter following the quarter in which the Amendment terminates if the termination occurs in the last 30 days of the quarter, the City will pay Consortium Members for Services on the terms and conditions agreed to by the parties herein. in this Amendment

D. Original Billing Terms of Agreement. During any calendar quarter during the Term of the Agreement, beginning during the Effective Period, performance of the requirements and duties of the Consortium and Consortium Members outlined in Sections 2.15.4, 2.15.5, 2.15.6, and 2.15.7 and the billing and collection requirements and duties of the Consortium and Consortium Members outlined in Sections 2.15.1 and 2.15.8 are waived and excused by the City. For the avoidance of doubt, the Consortium Members shall not be required to send late payment notices to any RDUs related to the second quarter of 2019.

2. **Services and Payment.** With respect to any Services provided during any quarter during the Effective Period:

A. Billing and Invoicing

1) Quarterly Invoices. Each individual Consortium Member will submit invoices for all RDUs serviced by such individual Consortium Member pursuant to the Agreement (each a "Quarterly Invoice") on the following terms:

a) Quarterly Invoices will be submitted electronically to the City and will be dated the 5th day of the quarter (or, if the 5th day falls on a legal holiday or a weekend, the day following the legal holiday or weekend);

b) Quarterly Invoices will be in one of the following formats:

i. PDF file, sent electronically; or

ii. Quarterly Invoice Spreadsheet, in Microsoft Excel format, sent electronically;

c) Quarterly Invoices will provide a description of the following:

i. Either the RDU address or the property id number;

- ii. Name of property owner and billing address;
- iii. Cart size and service level;
- iv. Description of Additional Service Options except for Temporary Subscription Service Options, as defined herein below, received and payments due for Additional Services Options provided in the previous quarter (i.e. Additional Services Options for Q2 shall be paid on Q3 Quarterly Invoice);
- v. A coversheet for the Quarterly Invoice that identifies the total amount due to the individual Consortium Member for the time period covered by such Quarterly Invoice for that quarter;
- vi. The prices paid by the City for all Services, including all Additional Service Options, shown on all Quarterly Invoices shall be those prices listed on Exhibit 4 to the Agreement and shall include all taxes due on the same.

B. Payment to Consortium Members. For all Quarterly Invoices submitted on the terms described above, the City will pay each such Quarterly Invoice on the following terms:

- 1) City Paid Services. During the Effective Period the City shall pay each individual Consortium Member directly for the following:
 - a) Base Level Services
 - b) Additional Service Options except for Temporary Subscription Service Options (defined below) commenced after July 1, 2019 during the Effective Period:
 - c) For the Quarterly Invoice issued for Q3 of 2019 only, the Consortium may include and the City will pay Quarterly Invoices that include all Additional Service Options, including Temporary Subscription Service Options (as defined below), as defined in the Agreement and this Amendment.

d) Except as described above, the City will not pay for any of the following during the Effective Period:

i. Temporary Subscription Service Options, as defined herein below, which appear on any Quarterly Invoices beginning with Quarterly Invoices for Q4 2019:

- Walk-up Service for non-eligible RDU's;
- Yard Waste Subscription Service, not previously paid;
- Compostable Bags of Yard Waste, not previously paid; and
- Bulky Waste items, in addition to Bulky Base Services per calendar year.
- Collectively, these services shall be referred to herein as "Temporary Subscription Services."

2) RDU Payment for Temporary Subscription Service Options. RDUs shall pre-pay for any Temporary Subscription Service Options provided by the Consortium during the Effective Period by any method acceptable to each individual Consortium Member.

a) Consortium Members will continue to provide any Temporary Subscription Service Options that have been paid for prior to the Effective Period for the scope of the pre-payment. Any Services beyond the scope of the pre-payment may require another pre-payment.

C. Monthly Payment. The City unequivocally agrees to pay each Quarterly Invoice to each individual Consortium Member on a monthly basis (each a "Monthly Payment").

1) Each Monthly Payment shall equal one third (1/3) of the total amount of the Quarterly Invoice. Each Monthly Payment shall be issued, received and available to the individual Consortium Member which sent the Quarterly Invoice to the City no later than the last business day of the month in which the Monthly Payment is made (each a "Quarterly Invoice Due Date").

2) Late Fee. If any individual Consortium Member fails to receive an immediately-available Monthly Payment on or before the Quarterly Invoice

Due Date for any reason, the City agrees to pay a late fee to such individual Consortium Member equal to five percent (5%) of the outstanding balance then currently due and payable to the Individual Consortium Member.

- a) If, during the Effective Period, but after the City's receipt of any Quarterly Invoice, Ord. 18-39, in its full current form shall be reinstated and become enforceable, by operation of law or as a result of legislative or judicial action, during the term of the Agreement, the City must continue to issue Monthly Payments for the remainder of the quarter for which current Monthly Payments are being made, the City agrees to continue to make Monthly Payments for such Quarterly Invoice and the Consortium must continue to provide Services for the remainder of such quarter.

D. Invoice Review. The City will act in good faith and if it has reasonable evidence to believe there is an error in any Quarterly Invoice may audit such Quarterly Invoice submitted by any Consortium member to verify the accuracy of the Quarterly Invoice. Such audit may include contacting RDU's to verify that the Quarterly Invoice accurately reflects the service level, and frequency of base level services and any Additional Service Options being billed for in the Quarterly Invoice. If the City has reasonable evidence to believe that the Quarterly Invoice is inaccurate, the City will contact and involve both the RDU and applicable Consortium Member in its investigation. Following such investigation, for all errors verified by the City, the City may make adjustments at the time of the next Monthly Payment. The City shall remain obligated to make Monthly Payments in full until its investigation is complete. If a Consortium Member disagrees with the City's determination, it may utilize the dispute resolution procedures applicable to contesting the imposition of liquidated damages. Notwithstanding the foregoing, the City shall have conclusively agreed to all invoiced amounts upon the failure to deliver a specific written objection prior to the Quarterly Invoice Due Date.

E. Refunds to RDUs. If an individual Consortium Member receives payment of a Quarterly Invoice and receives a duplicate payment from an RDU, in whatever form to any Consortium Member for Services during the Effective Period in which a Quarterly Invoice has been or will be submitted to the City, or if any RDU is owed a refund or credit at the beginning of the Effective Period, Consortium will provide a refund within 60 days of receipt of payment or the RDU's entitlement to a refund or credit.

3. Agreement in Remains in Effect. Any term in the Agreement not amended by this Amendment remains in full force and effect.

4. Beginning with the Quarter following the end of the Effective Period, or the second quarter following the end of the Effective Period if the Effective Period ends in the last 30 days of the quarter, Consortium Members shall bill the RDUs directly and the terms of the Agreement will be reinstated for the periods thereafter. If the Effective Period ends, the Consortium and its Members shall utilize their best efforts to reinstate billing to RDUs. The City shall pay any amounts unpaid by RDUs for said quarter in accordance with Section 2.15.8 if the applicable Consortium Member substantially, even if not strictly, complies with its billing and collections obligations under the Agreement.

5. All terms of the Agreement not specifically modified by this Amendment, including the obligation of the City to pay the Consortium Members for properly documented delinquent accounts for the Second Quarter of 2019, remain in full force and effect.

6. City Representations. The City represents and warrants to the Consortium and the Consortium Members and covenants and agrees as follows:
 - (a) The City has full power and authority to enter into this Amendment and to fully perform all of its duties and obligations hereunder and pursuant to the Agreement.

 - (b) The City's Council has duly authorized the execution and delivery of this Amendment and the City's performance of all of its duties and obligations contained herein, and this Amendment constitutes a valid and legally binding obligation of the City, enforceable in accordance with its terms. Without limiting the generality of any of the foregoing, the City has provided all public notices and held all public meetings, hearings, and the like required by applicable law, rule, regulation or ordinance in connection with the City's execution of this Amendment.

 - (c) The parties signing this Amendment on behalf of the City have been authorized to do so by specific action of the City Council adopted the _____ day of June 2019 in open meeting and of record in its official minutes.

- (d) No consents or approvals are needed for the entering into or performance of this Amendment by the City. Neither the entering into nor the performance of this Amendment by the City will result in a violation of or be in conflict with any statute, rule, regulation, ordinance, agreement, instrument, judgment, decree, or order to which the City is a party or by which the City or its assets is bound.
- (e) There is no action, suit, judgment, consent order or investigation or proceeding pending or, to the best of the City's knowledge and belief, threatened, preventing the City from entering into this Amendment. In connection with the execution, delivery and performance of this Amendment, the City is in compliance with all applicable federal, state and local laws, rules, regulations, orders, ordinances, judgments permits, licenses, approvals, and variances, and the City has not received any notice of any complaint or violation of any of the foregoing. The City will notify the Contractor promptly upon receipt of any complaint or notice of non-compliance with any of the foregoing.
- (f) The representations and warranties of the City are true and correct in all respects at and as of the Effective Date and continuing during the term of the Agreement.

[Signatures Appear on Next Page]

IN WITNESS WHEREOF, the City and Consortium have caused this Amendment to be executed and attested by their duly authorized officers and both parties certify to the other that they have all necessary approvals, authority and consents necessary to bind such party to this Amendment, all as of the date first above written.

CITY OF SAINT PAUL

By _____

Date: _____

Melvin Carter, Mayor

By: _____
Date: _____ John McCarthy, Finance Director

By: _____
Date: _____ Kathy Lantry, Public Works Director

APPROVED AS TO FORM:

City Attorney

ST. PAUL HAULERS, LLC

By _____ Greg Revering, Chief Manager
Date: _____

-
-
Daniel S. Schleck
Attorney
Direct: 612.672.3683
Cell: 612.730.4808



Assistant: Sonya M. Halverson
Direct: 612.672.3771
shalverson@MesserliKramer.com

MESSERLI | KRAMER
1400 Fifth Street Towers
100 South Fifth Street
Minneapolis, MN 55402

www.messerlikramer.com

CONFIDENTIALITY NOTICE: This email message is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution of any kind is strictly prohibited. If you are not the intended recipient, please contact the sender via reply email and destroy all copies of the original message. Thank you.

From: [Swanson, Christopher \(CI-StPaul\)](mailto:Swanson.Christopher@CI-StPaul)
To: grevering.sph@gmail.com
Cc: dschleck@messerlikramer.com
Subject: RE: 2020 Price Adjustment
Date: Wednesday, September 18, 2019 4:05:08 PM
Attachments: [Email to Hauler 4-24-2018.pdf](#)
[Copy of REVISED Future Disposal Adjustments calcs - DFK 10-31-2017 \(2\) KH.xlsx](#)
[Parameters for 2020 Rate Discussion 9-18-2019 Final.docx](#)

Hi Greg,

I am sending over revised parameters for the 2020 Rate discussion for the meeting tomorrow. We have updated the city's 2020 rates. Specifically, I have broken down the decrease in disposal costs for 2020 and the effect that will have on the rates. As you requested below in your email, I have also included additional information on the a blended 2018/2019 rates. That is the PDF of an email and the attached spreadsheet.

I look forward to talking over these items tomorrow with you. If you have any questions on the math in our rates please don't hesitate to contact me before the meeting.

Have a great day!

Chris

From: grevering.sph@gmail.com [mailto:grevering.sph@gmail.com]
Sent: Friday, September 13, 2019 2:30 PM
To: Swanson, Christopher (CI-StPaul) <Christopher.Swanson@ci.stpaul.mn.us>
Cc: dschleck@messerlikramer.com
Subject: 2020 Price Adjustment

Think Before You Click: This email originated **outside** our organization.

Dear Chris,

The consortium has reviewed the City's proposed 2020 Price Adjustment that was attached to your email from September 10, 2019 (the "City Proposal"). I have reviewed the City Proposal and the materials you provided us at our last meeting on August 27th and I cannot reconcile the two. Particularly, it seems that the disposal portion of the City's proposed price adjustment from the City Proposal, does not seem to be consistent with the calculations you gave us on August 27 nor does it seem consistent with what you and Steve Heng were pointing at in the OTC Agreement. At that meeting you told us the City was attempting to adjust the disposal portion of the City Proposal over various container sizes to achieve some equity for small RDUs. Is this why the Disposal portion of the City Proposal seems off?

The Board of the Consortium has asked us to explain the basis for the City Proposal and we are requesting that you try to give us as detailed explanation as possible for disposal portion in that

document so we can explain it to our members. The disposal portion of the rates currently being used, and posted on the City's website, are not what is in the OTC Contract and were somehow negotiated in February of 2018 without following the OTC Agreement. As we discussed at our meeting in August, did you ever find any documentation for how this was done? This disconnect with the OTC Agreement has generated many questions by the Members of the Consortium.

The Consortium is more than willing to meet with City and continue the process of negotiating yearly Price Adjustments after the two parties agree on a contingency plan to address a possible rescission of Ordinance 18-39 in November.

Greg Revering

Chief Manager

St. Paul Haulers LLC.

grevering.sph@gmail.com

763-295-2054

2020 Rate Discussion

Items 1: Collection Costs

Items 1: Collection Costs- The Fuel Portion of the Trash Collection Costs shall make up 10% of the total Collection Costs. The Non-Fuel Portion of the Trash Collection Costs shall make up 90% of the Trash Collection Costs.

Fuel Surcharge-Per 3.1.2: The Fuel Portion of the Trash Collection Costs shall be adjusted on an annual basis based on increases in the price of fuel above the Base Fuel Price of \$3.50. The Fuel Surcharge shall be \$0 if the average fuel price for the previous 12 months is at or below the Base Fuel Price

- The average fuel price as of August 2019 is at or below the Base Fuel Price. There is no adjustment on the Fuel Portion of the Collection cost.

Do the Haulers agree the Highway Diesel fuel price is not above the base fuel price of \$3.50?

Non-Fuel- Consumer Price Index Adjustment

- The annual CPI increase for the Midwest Region - All items less energy is 2%.
- The annual CPI increase is only applicable to the non-fuel portion of the base collection price (i.e. does not apply to billing cost)
 - Per 3.1.3: The Non-Fuel Portion of the Trash Collection shall be subject to an increase (but not a decrease) equal to the increase, if any, during the prior twelve-month period in Consumer Price Index. The annual increase, if any, shall be an amount equal to the percentage increase for the previous twelve-month period in the referenced CPI-U index with the amount of the increase based on the most current information available from the U.S. Department of Labor.
 - Per Exhibit 4a: Annual increases on the non-fuel portion of the base collection price only (not the disposal price or other prices) will be allowed annually.

Do the Haulers agree the CPI is 2%?

Item 2: Disposal Costs

Disposal Costs (3.1.5): The disposal portion of the Trash Collection Costs for all service levels shall be negotiated by the parties and adjusted annually based on: 1) changes to the hauler "Net Contracted Rate" (rate minus any discount or rebate) for disposal costs at the Trash Disposal Facility; and 2) the actual average tonnages collected per gallon per household in the prior 12 months.

- The City is using the tonnage data that was reported by the haulers in the Hauler Portal to calculate disposal costs. We have Hauler Portal numbers through July 2019.

Do the haulers agree the total tonnage reported in the Portal from October 2018 through July 2019 is 46,516.4 tons?

Based on the 8/12/2019 Haulers update list the number of carts in use are 71,938 carts. Do the haulers agree there are 71,938 carts in use?

Based on the items listed above the 2020 disposal rates are as follows:

2019 St. Paul OTC Rates (monthly)										
Collection	Collection Portions		Billing	Bulkies	Disposal	Subtotal	CEC	MSWT		Total
	Non-fuel	Fuel								
\$9.07	\$8.16	\$0.91	\$1.99	\$1.32	\$2.34	\$14.72	\$4.12	\$1.44		\$20.28
\$10.88	\$9.79	\$1.09	\$1.99	\$1.32	\$2.83	\$17.02	\$4.77	\$1.66		\$23.44
\$11.88	\$10.69	\$1.19	\$1.99	\$1.99	\$7.39	\$23.25	\$6.51	\$2.27		\$32.02
\$11.88	\$10.69	\$1.19	\$1.99	\$1.99	\$8.93	\$24.79	\$6.94	\$2.42		\$34.15

2019 Total Disposal Costs			
	# of Carts	2019 Disposal Rate (Monthly)	2019 Total Disposal Costs (Monthly)
35 Gal - EOW	5104	\$2.34	\$11,943.36
35 Gal	17638	\$2.83	\$49,915.54
64 Gal	28991	\$7.39	\$214,243.49
96 Gal	20205	\$8.93	\$180,430.65
Total	71,938		\$456,533.04
2019 Disposal Costs Total (Annual)			\$5,478,396.48

2020 Total Disposal Costs			
	# of Carts	2020 Disposal Rate (Monthly)	2020 Total Disposal Costs (Monthly)
35 Gal - EOW	5104	\$1.32	\$6,737.28
35 Gal	17638	\$1.81	\$31,924.78
64 Gal	28991	\$6.37	\$184,672.67
96 Gal	20205	\$7.91	\$159,821.55
Total	71,938		\$383,156.28
2019 Disposal Costs Total (Annual)			\$4,597,875.36

2020 Total Disposal Costs		
	Net Contracted Rate	2020 Total Disposal Costs (Annual)
	\$82.00	\$4,597,421.84
2020 Reduction in Total Disposal Costs (Annual)		\$880,974.64
2020 Reduction in Total Disposal Costs (Monthly)		\$73,414.55
2020 Per Cart Reduction (Monthly)		\$1.02

2020 St. Paul OTC Rates Model with Same Disposal Rate Decrease (\$82/ton) (monthly)										
Cart Size	Collection		Billing	Bulkies	Disposal	Subtotal	CEC	MSWT	2020 TOTAL	2020 Quarterly Rate
	Non-Fuel	Fuel								
Sm EOW	\$8.32	\$0.91	\$1.99	\$1.32	\$1.32	\$13.86	\$3.74	\$1.35	\$18.95	\$56.85
Sm W	\$9.99	\$1.09	\$1.99	\$1.32	\$1.81	\$16.20	\$4.37	\$1.58	\$22.15	\$66.45
Medium	\$10.90	\$1.19	\$1.99	\$1.99	\$6.37	\$22.44	\$6.06	\$2.19	\$30.69	\$92.07
Large	\$10.90	\$1.19	\$1.99	\$1.99	\$7.91	\$23.98	\$6.47	\$2.34	\$32.79	\$98.37

Projected Rates 2018 - 2019

Trash Prices (With Blended 2018+2019 Disposal Rates *)				
Collection Frequency:	Small	Small	Medium	Large
	Every other week	----- Weekly -----		
Number of Bulkies:	Two	Two	Three	Three
Base Collection	\$9.07	\$10.88	\$11.88	\$11.88
"Blended" Future Disposal *	\$2.34	\$2.83	\$7.39	\$8.93
Bulky Items	\$1.32	\$1.32	\$1.99	\$1.99
Billing	\$1.99	\$1.99	\$1.99	\$1.99
Subtotal	\$14.72	\$17.02	\$23.25	\$24.79
Taxes	\$5.56	\$6.42	\$8.78	\$9.36
TOTAL	\$20.28	\$23.44	\$32.03	\$34.14

(* Average of one quarter of 2018 and four quarters of 2019 future disposal prices, before taxes.)

Calculated Future Prices (Based on R&E Center Disposal Price Adjustments):				
2018 Disposal	\$2.23	2.69	7.05	8.51
2018 TOTAL **	\$20.13	\$23.25	\$31.56	\$33.57
2019 Disposal	\$2.37	\$2.86	\$7.48	\$9.03
2019 TOTAL **	\$20.32	\$23.49	\$32.15	\$34.29

(* Includes taxes)

Taxes

9.75% SWMT
28.00% CEC
<hr/>
37.75% TOTAL

Diff (DFK proof calc)

(\$0.11)	(\$0.14)	(\$0.34)	(\$0.42)
\$0.03	\$0.03	\$0.09	\$0.10

Small	Small	Medium	Large
Every other week	----- Weekly -----		
\$2.34	\$2.83	\$7.39	\$8.93



Swanson, Christopher (CI-StPaul)

From: Krivit, Dan <Dan.Krivit@Foth.com>
Sent: Tuesday, April 24, 2018 11:32 AM
To: Franklin, Romack; Hageman, Kris (CI-StPaul)
Cc: Klennert, Jennefer L; Hiebert, Lisa (CI-StPaul)
Subject: RE: City Brochure vs. Hauler Pricing Sheet

Romack,

It appears to me that you are comparing to the old "2017" trash prices (Excel file circa Oct 2017). The new rates on the brochures have the new, "blended", 2018 + 2019 R&E Center tipping fees. City staff handed these new "blended" rates out to the first *Billing Work Group* on Mon Jan 29, 2018.

Please double check and let us all know ASAP.

Thanks.

Dan Krivit, Senior Project Manager
Foth Infrastructure & Environment, LLC
Eagle Point II
8550 Hudson Boulevard North, Suite 105
Lake Elmo, MN 55042
Direct Phone: (651) 288-8509 / Cell Phone: (612) 616-7739
General Phone: (651) 288-8550 / Fax: (651) 288-8552
Dan.Krivit@Foth.com
<http://www.Foth.com>

Go Green, keep it on the screen. Please do not print this email unless necessary.

From: Franklin, Romack [mailto:RFranklin3@republicservices.com]
Sent: Tuesday, April 24, 2018 11:16 AM
To: Hageman, Kris (CI-StPaul) <kris.hageman@ci.stpaul.mn.us>
Cc: Klennert, Jennefer L <Jennefer.Klennert@foth.com>; Krivit, Dan <Dan.Krivit@Foth.com>
Subject: City Brochure vs. Hauler Pricing Sheet

Kris,

Can you please review the following pricing and let me know why there is a difference in the City brochure and Hauler pricing sheet?

Thank you,

Romack Franklin
Municipal Services Manager
Greater St. Paul Area

4325 E. 66th Street
Inver Grove Heights, MN 55076
e rfranklin3@republicservices.com
o 651-286-4575 o 612-300-7497
w www.republicservices.com



We'll handle it from here.™

From: [Swanson, Christopher \(CI-StPaul\)](#)
To: grevering.sph@gmail.com
Cc: [Lantry, Kathy \(CI-StPaul\)](#); [Tierney, Rachel \(CI-StPaul\)](#)
Subject: RE: 2020 Price Adjustment
Date: Friday, September 20, 2019 4:18:00 PM

Hi Greg,

I hope you are doing well. Please tell me once you get a response back from the haulers on the city's updated proposal. As stated in our meeting, we have a hard date for when this needs to be sent to the legal ledger, and that date is quickly approaching. If you have any questions on the math in our rates please don't hesitate to contact me. Also, I suspect that we will want to have another meeting next week. Please send me a few time slots where you and Dan (preferable times where other haulers can also make the meeting if that will speed this process along) and we will get something on the books.

Thanks and have a good weekend!

Chris

From: Swanson, Christopher (CI-StPaul)
Sent: Wednesday, September 18, 2019 4:05 PM
To: grevering.sph@gmail.com
Cc: dschleck@messerlikramer.com
Subject: RE: 2020 Price Adjustment

Hi Greg,

I am sending over revised parameters for the 2020 Rate discussion for the meeting tomorrow. We have updated the city's 2020 rates. Specifically, I have broken down the decrease in disposal costs for 2020 and the effect that will have on the rates. As you requested below in your email, I have also included additional information on the a blended 2018/2019 rates. That is the PDF of an email and the attached spreadsheet.

I look forward to talking over these items tomorrow with you. If you have any questions on the math in our rates please don't hesitate to contact me before the meeting.

Have a great day!

Chris

From: grevering.sph@gmail.com [<mailto:grevering.sph@gmail.com>]
Sent: Friday, September 13, 2019 2:30 PM
To: Swanson, Christopher (CI-StPaul) <Christopher.Swanson@ci.stpaul.mn.us>
Cc: dschleck@messerlikramer.com
Subject: 2020 Price Adjustment

Think Before You Click: This email originated outside our organization.

Dear Chris,

The consortium has reviewed the City's proposed 2020 Price Adjustment that was attached to your email from September 10, 2019 (the "City Proposal"). I have reviewed the City Proposal and the materials you provided us at our last meeting on August 27th and I cannot reconcile the two. Particularly, it seems that the disposal portion of the City's proposed price adjustment from the City Proposal, does not seem to be consistent with the calculations you gave us on August 27 nor does it seem consistent with what you and Steve Heng were pointing at in the OTC Agreement. At that meeting you told us the City was attempting to adjust the disposal portion of the City Proposal over various container sizes to achieve some equity for small RDUs. Is this why the Disposal portion of the City Proposal seems off?

The Board of the Consortium has asked us to explain the basis for the City Proposal and we are requesting that you try to give us as detailed explanation as possible for disposal portion in that document so we can explain it to our members. The disposal portion of the rates currently being used, and posted on the City's website, are not what is in the OTC Contract and were somehow negotiated in February of 2018 without following the OTC Agreement. As we discussed at our meeting in August, did you ever find any documentation for how this was done? This disconnect with the OTC Agreement has generated many questions by the Members of the Consortium.

The Consortium is more than willing to meet with City and continue the process of negotiating yearly Price Adjustments after the two parties agree on a contingency plan to address a possible rescission of Ordinance 18-39 in November.

Greg Revering

Chief Manager

St. Paul Haulers LLC.

grevering_sph@gmail.com

763-295-2054



CITY OF SAINT PAUL

Melvin W. Carter, Mayor

1500 City Hall Annex

25 W. Fourth Street

Saint Paul, MN 55102-1660

Fax: 651-266-6222

September 25th, 2019

Mr. Revering
Chief Manager
St. Paul Haulers LLC.

Dear Mr. Revering,

I am writing to renew the City's request from September 20th for a response to our September 19th, 2019 proposal regarding the 2020 St. Paul Garbage Collection Rates. As we explained in our September 19th meeting, the 2020 rates must be finalized and submitted to the Legal Ledger no later than September 30.

As stated in the September 19 proposal, the basis for the City's rate calculations are set forth in section 3 (Annual Price Adjustments) in the OTC contract. Section 3.1 requires that the Council approve any price adjustment mandated by the provisions in section 3. Section 3.1.1 provides that 10% of the Trash Collection Costs are fuel costs; the other 90% are non-fuel costs. Pursuant to section 3.1.3, the annual increase in non-fuel costs is equal to the percentage increase of the CPI-U index for the previous 12-month period. In the City's proposed rates, 90% of the Trash Collection Costs has been adjusted upward by 2%.

Section 3.1.5 provides that the disposal portion of the Trash Collection Costs shall be adjusted annually based on the changes to the hauler's "net contracted rate" and the actual average tonnages collected in the prior 12 months. The net contract rate for 2020 equal \$82 per ton. The tonnage collected in 2019 equals 56,066.12 tons. Therefore, the total disposal costs for purposes of the 2020 calculation are \$ 4,597,875.36. This is a decrease in total collection costs from the contract rates in 2019 (\$5,478,396.48).

The provisions of Sections 3.1.2, Fuel Surcharge, and 3.1.4, Adjustment due to Change in Law, do not provide for any adjustment in the contract rates for 2020.

The increase in non-fuel costs and the decrease in disposal costs result in an overall decrease in rates for 2020. To reflect this reduction, the City split the decrease evenly as a flat rate decrease per month per cart between the different cart sizes.



An Affirmative Action Equal Opportunity Employer



Need this translated? Call us at 651-266-6100

Ma u baahan tahay tarjamadaan Naga soo wac 651-266-6100

Necesita esta traducción? Comuníquese con nosotros al 651-266-6100

Xav tau qhov no txhais los? Hu rau peb ntawm 651-266-6100

The City has provided you our calculations for the fuel and non-fuel adjustments, our breakdown of the disposal costs, and the final cost per quarter for garbage service in 2020. Therefore, on September 30th, the city will submit for publishing the Ordinance language that will be considered by the Council. We will follow the ordinance revision process that is required by the contract and law. I have included these below. I have also attached the price sheet and cost breakdown to this letter.

Cart Size	2020 Quarterly Rate	
Sm EOW	\$	56.85
Sm W	\$	66.45
Medium	\$	92.07
Large	\$	98.37

If the Haulers wish to schedule a meeting to discuss the 2020 garbage rates, please call me as soon as possible. As stated above, on September 30, the City must take action. The City remains prepared to meet with the Haulers.

Sincerely,



Chris Swanson
Solid Waste Program Supervisor

cc: Kathy Lantry, Public Works Director
Susan Young, Administrative Program Manager
Rachel Tierney, Deputy City Attorney
Steven Heng, Assistant City Attorney

MESSERLI | KRAMER

September 25, 2019

Via Electronic Mail Only to rachel.tierney@ci.saintpaul.mn.us

Rachel Tierney
Deputy City Attorney
15 Kellogg Blvd. West
Saint Paul, MN 55102

**Re: St. Paul Trash Haulers, LLC – Contingency Plan for Referendum and Pricing Adjustment for 2020
Our File No. 23744.1**

Dear Ms. Tierney:

On behalf of St. Paul Haulers, LLC (the “**Consortium**”), I write to you regarding the Residential Solid Waste, Yard Waste and Bulky Waste Collection Agreement dated November 14, 2017 (the “**OTC Contract**”). The Consortium believes that the City needs to first prioritize and focus efforts on preparing a contingency plan for addressing the potential success of the referendum to overturn St. Paul Ordinance 18-39 before addressing any 2020 rate adjustments. When Judge Castro originally ruled against the City, there was no viable plan, consistent with the terms of the OTC Contract, which resulted in an emergency and crisis situation for both parties which does not benefit any stakeholder and makes sound policy decisions difficult. The Consortium wants to emphasize, again for the fourth time, that this contingency plan must be developed before the 2020 pricing adjustment can realistically be resolved.

Based on the most recent meeting between City Staff and the Consortium, it is clear that the City is trying to impose a rushed 2020 Pricing Adjustment for the OTC Contract which is contrary to the Contract and past practices and may ultimately cause harm to the citizens of St. Paul. This seems like an imbalanced burden to the citizens. In a show of cooperation and partnership, as an accommodation to the City and the citizens of St. Paul, the Consortium is proposing that no adjustment be made to the current rates published on the City’s website and being paid by RDUs for trash collection for first six months of 2020. This proposal takes the urgency and time pressure out of the impasse and will give the two sides work together to collaboratively address the rate adjustment for 2020.

The City’s latest proposal to the Consortium, delivered today by letter from Chris Swanson again fails to accurately reflect the terms of the OTC Contract and seems to propose a random system of price adjustment which subsidizes some RDUs at the expense of others. The price adjustment methodology proposed at the meeting doesn’t take the realities of the OTC

Contract such as finalization of county disposal pricing; gaps in data collection or past practice into account. To the Consortium, the clear message presented at the meeting seems to be an attempt to threaten and bully the Consortium into an unjustified reduction in RDU rates for political reasons, while the price for disposal of waste at the City mandated facility are rising by almost 20% next year.

Furthermore, given the City Attorney Office's explanation of the timing deadlines for publication, public hearing and final council action, it seems that parties need to slow the process down so as to not unduly saddle what may very well be a new City Council with the rush to set rates and force this new Council, with no input, to deal with a rate structure put upon them by the old Council.

Lastly, based the terms of the Letter from Chris Swanson today, the actions of the City are neither required nor consistent with the OTC Contract or the Law. If the City chooses to move forward with the legislative process for adoption of these rates which the Consortium rejects, such action likely constitutes a breach of the OTC Contract and could subject the City to additional liability.

For all these reasons, the Consortium proposes to hold pricing constant at 2019 rates until July 1, 2020 under the OTC Contract. Mr. Swanson's letter states the City is willing to meet to discuss this matter further, please propose some dates and times when the City would like to meet.

Thank you and please feel free to contact the undersigned with any questions.

Sincerely,
MESSERLI KRAMER P.A.



Daniel S. Schleck
Attorney

C. G. Revering
St. Paul Haulers, LLC

From: [Swanson, Christopher \(CI-StPaul\)](#)
To: grevering.sph@gmail.com
Cc: [Lantry, Kathy \(CI-StPaul\)](#); [Tierney, Rachel \(CI-StPaul\)](#); [Young, Susan \(CI-StPaul\)](#)
Subject: 3rd Meeting on 2020 Rates
Date: Thursday, September 26, 2019 11:21:47 AM

Hi Greg,

We received your letter dated September 25, 2019. At the end of the letter the haulers ask the city to propose some meeting times to discuss 2020 rates. As I asked in my September 20th email to you, please send me a few time slots where the haulers, specifically a group of haulers that can make a decision, will be able to meet. We cannot continue to have this back and forth with not having all the deciders in the room. We understand that some of the haulers may have time constraints during normal business hours so if there is a time later in the day that would work better we can try and adjust our scheduled to make the meeting work. I want something on the books in the next few days. Please send me some times and we can get these scheduled. If you have additional question please do not hesitate to send me an email or give me a call!

Chris

Tierney, Rachel (CI-StPaul)

From: Daniel S. Schleck <dschleck@MesserliKramer.com>
Sent: Monday, September 30, 2019 5:17 PM
To: Tierney, Rachel (CI-StPaul)
Cc: Greg Revering - E&M Consulting Services, Inc. (grevering.sph@gmail.com)
Subject: St. Paul Haulers - Meeting and Consortium position on City publishing rates not agreed to by Consortium

Think Before You Click: This email originated outside our organization.

Dear Rachel –

I wanted to write to you to clarify the Consortium's position on the City's plan for the pricing adjustment for 2020 to the OTC Contract. The Consortium remains willing to meet with the City to further discuss 2020 pricing. As stated in my 9/26 email, our only condition to this meeting is that the City invites those with authority to bind the City and the City agree to also discuss the contingency plan amendment. As soon as we receive the City's confirmation, we will happily schedule the meeting.

Further, as I stated in my letter last week to you, the Consortium's position is that if the City moves forward with publication of the rates unilaterally determined by the City, without agreement by the Consortium, the City would be acting in violation of the spirit and intent of the OTC Contract, if not in breach of its express terms. Instead of attempting to one-sidedly imposing rates on rushed timelines, the Consortium urges the City to meet with us and discuss both the rates and the contingency plan together, as partners with the shared goal of improving waste collection in the City of St. Paul.

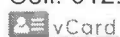
The terms of the OTC Contract have been amended by performance of the parties in several ways regarding any pricing adjustment and Section 3. Contrary to your assertion, pricing under the OTC contract is not strictly formulaic and does not provide for default adjustments. As you are aware, Section 3 of the OTC contract requires the City to negotiate with the Consortium regarding the disposal portion of any pricing adjustment

Furthermore, the terms of the OTC Contract related to pricing have already been amended by performance of the parties which also essentially require both parties to negotiate for amendments in the future. I think we can all agree that the residents of St. Paul would be better served if the Consortium and the City worked together to come up with mutually agreed upon 2020 pricing, as is outlined in the OTC contract.

The Consortium believes that the City need not continue to move forward so quickly given the schedule provided to us by the you and Kathy Lantry at our last meeting. It seems that is at least 10-14 days for the parties to continue negotiating and we would propose that we continue the same. Additionally, the Consortium believes the parties should make negotiation of an amendment addressing what happens if residents vote against the City's organized collection ordinance a priority before pricing. To that end, we concur on a meeting between the parties this week to move this matter forward. My understanding is that Chris and Greg are working on a meeting date.

Please contact me if you have any questions or would like to discuss this matter further before our upcoming meeting.

Daniel S. Schleck
Attorney
Direct: 612.672.3683
Cell: 612.730.4808



Assistant: Sonya M. Halverson
Direct: 612.672.3771
shalverson@MesserliKramer.com

MESSERLI | KRAMER

1400 Fifth Street Towers
100 South Fifth Street
Minneapolis, MN 55402
www.messerlikramer.com

CONFIDENTIALITY NOTICE: This email message is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution of any kind is strictly prohibited. If you are not the intended recipient, please contact the sender via reply email and destroy all copies of the original message. Thank you.

From: grevering.sph@gmail.com
To: Swanson, Christopher (CI-StPaul); "Daniel S. Schleck"; Tierney, Rachel (CI-StPaul)
Cc: [Lantry, Kathy \(CI-StPaul\)](mailto:Lantry, Kathy (CI-StPaul))
Subject: RE: City Proposed Second Amendment and Agenda for October 9, 2019 Meeting
Date: Wednesday, October 9, 2019 12:34:00 PM

Think Before You Click: This email originated outside our organization.

Chris,

The Board has stated to me that we need to decline the meeting. The reason for this change is due to the fact that we did not receive the City proposal on the Second Amendment until well after the St. Paul Haulers LLC. Special Board Meeting on October 8th at 3:30 PM. There was no opportunity for the Board to work on a Counter Proposal.

The City Published the 2020 rates without Consortium approval and we now need to meet as a Board only as scheduled on that subject as well. We are expecting to finalize our 2020 Price Adjustment discussion at tonight's Board Meeting so we can negotiate in Good Faith with the City on October 10th before the City Amends the Ledger.

Greg Revering
Chief Manager
St. Paul Haulers LLC.
grevering.sph@gmail.com

763-295-2054

-----Original Message-----

From: Swanson, Christopher (CI-StPaul) <Christopher.Swanson@ci.stpaul.mn.us>
Sent: Wednesday, October 9, 2019 10:39 AM
To: Daniel S. Schleck <dschleck@MesserliKramer.com>; Tierney, Rachel (CI-StPaul) <rachel.tierney@ci.stpaul.mn.us>; Greg Revering - E&M Consulting Services, Inc. (grevering.sph@gmail.com) <grevering.sph@gmail.com>
Cc: Lantry, Kathy (CI-StPaul) <kathy.lantry@ci.stpaul.mn.us>
Subject: RE: City Proposed Second Amendment and Agenda for October 9, 2019 Meeting

Greg and I will work together if there is anything we need.

I sent the invite out yesterday. If there is anything more please have Greg email me and I can work to get everything all set up.

Chris

-----Original Message-----

From: Daniel S. Schleck [<mailto:dschleck@MesserliKramer.com>]
Sent: Wednesday, October 9, 2019 8:57 AM
To: Tierney, Rachel (CI-StPaul) <rachel.tierney@ci.stpaul.mn.us>; Greg Revering - E&M Consulting Services, Inc. (grevering.sph@gmail.com) <grevering.sph@gmail.com>
Cc: Swanson, Christopher (CI-StPaul) <Christopher.Swanson@ci.stpaul.mn.us>; Lantry, Kathy (CI-StPaul) <kathy.lantry@ci.stpaul.mn.us>
Subject: Re: City Proposed Second Amendment and Agenda for October 9, 2019 Meeting

Think Before You Click: This email originated outside our organization.

Rachel -

I am going to be tied up much of the day. Please coordinate directly with Greg on the meeting.

Thank you

Daniel S. Schleck

Attorney

Direct: 612.672.3683

Cell: 612.730.4808

[vCard]<<https://messengerlikramer.com/wp-content/uploads/Daniel-Schleck.vcf>>

Assistant: Sonya M. Halverson

Direct: 612.672.3771

shalverson@MesserliKramer.com

[cid:image5c95b1.PNG@194b646b.4294a46c]<<https://www.messengerlikramer.com>>

1400 Fifth Street Towers

100 South Fifth Street

Minneapolis, MN 55402

www.messengerlikramer.com<<http://www.messengerlikramer.com>>

CONFIDENTIALITY NOTICE: This email message is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution of any kind is strictly prohibited. If you are not the intended recipient, please contact the sender via reply email and destroy all copies of the original message. Thank you.

From: Tierney, Rachel (CI-StPaul) <rachel.tierney@ci.stpaul.mn.us>

Sent: Tuesday, October 8, 2019 6:58:29 PM

To: Daniel S. Schleck

Cc: Swanson, Christopher (CI-StPaul); Lantry, Kathy (CI-StPaul)

Subject: City Proposed Second Amendment and Agenda for October 9, 2019 Meeting

Dan:

Attached please find the City's proposed Second Amendment to the Contract. Tomorrow's meeting has been scheduled for Room 42 in City Hall.

The agenda is as follows:

- * 3:30 Introductions
- * 3:35 – 4:45 Consortium Response to City Proposal
 - * Points of Agreement
 - * Points of Disagreement
 - * Additional Proposed Terms
- * 4:45 – 5:00 Next Steps/Meeting Schedule
- * 5:00 Adjourn

We look forward to discussing your response tomorrow.

Thanks.

Rachel

[cid:image003.png@01D57E0A.5EE11640]

October 9, 2019

Via Electronic Mail Only to rachel.tierney@ci.saintpaul.mn.us

Rachel Tierney
Deputy City Attorney
15 Kellogg Blvd. West
Saint Paul, MN 55102

**Re: St. Paul Trash Haulers, LLC – Contingency Plan for Referendum and Pricing
Adjustment for 2020
Our File No. 23744.1**

Dear Ms. Tierney:

On behalf of St. Paul Haulers, LLC (the “Consortium”), I write to you regarding the Residential Solid Waste, Yard Waste and Bulky Waste Collection Agreement dated November 14, 2017 (the “OTC Contract”). The City’s bad faith tactic of publishing 2020 collection rates without consensus from the Consortium and attempt to force these unacceptable rates on Consortium members in violation of the terms of the OTC will not be accepted or tolerated.

Clearly by using this tactic, that the City is trying to impose a rushed 2020 Pricing Adjustment for the OTC Contract which is contrary to the Contract and past practices and may ultimately cause harm to the citizens of St. Paul.

If nothing else, doesn’t it make more sense, given that the City need edit and republish the notice due to the error in the calculation of the CEC tax that the City pull this new notice and give the parties an opportunity to sit down and negotiate tomorrow Am and come up with a rate together to end this gridlock.

The terms of the OTC Contract have been amended by performance of the parties in several ways regarding any pricing adjustment and Section 3. Contrary to the City’s past assertion, pricing under the OTC contract is not strictly formulaic and does not provide for default adjustments. As you are aware, Section 3 of the OTC contract requires the City to negotiate in good faith with the Consortium regarding the disposal portion of any pricing adjustment and lists factors for consideration, but does not impose mandatory adjustments.

The negotiation process is further supported by past actions of the City related to pricing amendments to the OTC Contract based on past actions of the parties. I think we can all agree that the residents of St. Paul would be better served if the Consortium and the City worked together to come up with mutually agreed upon 2020 pricing, as is outlined in the OTC contract rather than the City’s attempt to pick and choose portions of the contract that may politically benefit some at the expense of the residents.

Further, as I stated in my letter last week to you, the Consortium's position is that because the City moved forward with publication of the rates unilaterally, without agreement by the Consortium, the City is acting in violation of the current terms, the spirit and intent of the OTC Contract. The Consortium will not agree to these rates and take all legal actions necessary to protect its rights under the OTC Contract.

If the City chooses to move forward with the legislative process for adoption of these 2020 collection rates previously rejected by the Consortium, such action likely constitutes a breach of the OTC Contract and could subject the City to additional liability. The Consortium will not abide by the rates published on October 3, 2019.

Thank you and please feel free to contact the undersigned with any questions.

Sincerely,
MESSERLI KRAMER P.A.



Daniel S. Schleck
Attorney

C. G. Revering
St. Paul Haulers, LLC

From: grevering.sph@gmail.com
To: [Swanson, Christopher \(CI-StPaul\)](#); [Tierney, Rachel \(CI-StPaul\)](#); dschleck@messerlikramer.com; [Lantry, Kathy \(CI-StPaul\)](#); [Young, Susan \(CI-StPaul\)](#)
Subject: Consortium Proposals for Second Amendment & 2020 Price Adjustment
Date: Monday, October 14, 2019 5:45:21 PM
Attachments: [MK MPLS-#1778310-v6-190625 2nd Amendment to OTC SP Haulers and City Original Draft6-25-19 \(2\).pdf](#)
[Consortium 2020 Price Adjustment City Format Version 1.0.xlsx](#)

Think Before You Click: This email originated **outside** our organization.

Chris,
Please see attached proposals for the Second Amendment and 2020 Price Adjustment.

Thank you

Greg Revering
Chief Manager
St. Paul Haulers LLC.
grevering.sph@gmail.com

763-295-2054

Consortium 2020 OTC Rates_City Model (\$82/ton) (monthly)										
	Collection									
Cart Size	Non-Fuel	Fuel	Billing	Bulkies	Disposal	Subtotal	CEC	MSWT	2020 TOTAL	2020 Quarterly Rate
Sm EOW	\$ 8.32	\$ 0.91	\$ 1.99	\$ 1.32	\$ 1.68	\$ 14.22	\$ 3.98	\$ 1.39	\$ 19.59	\$ 58.76
Sm W	\$ 9.99	\$ 1.09	\$ 1.99	\$ 1.32	\$ 3.36	\$ 17.75	\$ 4.97	\$ 1.73	\$ 24.45	\$ 73.35
Medium	\$ 10.90	\$ 1.19	\$ 1.99	\$ 1.99	\$ 6.25	\$ 22.32	\$ 6.25	\$ 2.18	\$ 30.75	\$ 92.24
Large	\$ 10.90	\$ 1.19	\$ 1.99	\$ 1.99	\$ 9.13	\$ 25.20	\$ 7.06	\$ 2.46	\$ 34.71	\$ 104.14

2020 St. Paul OTC Rates Model with Same Disposal Rate Decrease (\$82/ton) (monthly) (Corrected CEC)										
	Collection									
Cart Size	Non-Fuel	Fuel	Billing	Bulkies	Disposal	Subtotal	CEC	MSWT	2020 TOTAL	2020 Quarterly Rate
Sm EOW	\$ 8.32	\$ 0.91	\$ 1.99	\$ 1.32	\$ 1.32	\$ 13.86	\$ 3.88	\$ 1.35	\$ 19.09	\$ 57.28
Sm W	\$ 9.99	\$ 1.09	\$ 1.99	\$ 1.32	\$ 1.81	\$ 16.20	\$ 4.54	\$ 1.58	\$ 22.32	\$ 66.95
Medium	\$ 10.90	\$ 1.19	\$ 1.99	\$ 1.99	\$ 6.37	\$ 22.44	\$ 6.28	\$ 2.19	\$ 30.91	\$ 92.73
Large	\$ 10.90	\$ 1.19	\$ 1.99	\$ 1.99	\$ 7.91	\$ 23.98	\$ 6.71	\$ 2.34	\$ 33.03	\$ 99.10

From: [Swanson, Christopher \(CI-StPaul\)](#)
To: grevering.sph@gmail.com
Cc: [Tierney, Rachel \(CI-StPaul\)](#); [Heng, Steven \(CI-StPaul\)](#); [Young, Susan \(CI-StPaul\)](#); [Welsh, Ian \(CI-StPaul\)](#)
Subject: City Proposal for 2020 Garbage Hauling
Date: Wednesday, October 23, 2019 5:10:30 PM
Attachments: [2020 Rates Negotiation City Response 10-23-19 \(FINAL\).pdf](#)

Hi Greg,

Please see the updated city proposal for 2020 Garbage hauling rates.

Please have the consortium review so we can discuss this proposal during the meeting on Friday.

Chris

2020 Garbage Rates

City Numbers (Per Cart Disposal Adjustment)								
	RDU's		2019		2020	Quarterly Decrease	Annual Decrease	Total Decrease
Sm EOW	5074	\$	60.83	\$	57.60	\$ 3.23	\$ 12.92	\$ 65,556.08
Sm W	17606	\$	70.34	\$	67.29	\$ 3.05	\$ 12.20	\$ 214,793.20
Medium	28912	\$	96.08	\$	93.09	\$ 2.99	\$ 11.96	\$ 345,787.52
Large	20150	\$	102.44	\$	99.45	\$ 2.99	\$ 11.96	\$ 240,994.00
	71742						Total Decrease	\$ 867,130.80

Process for Per Cart Disposal Adjustment

2019 Disposal Costs

	# of Carts	2019 Disposal Rate (Monthly)	2019 Total Disposal Costs (Monthly)
35 Gal - EOW	5074	\$2.34	\$11,873.16
35 Gal	17606	\$2.83	\$49,824.98
64 Gal	28912	\$7.39	\$213,659.68
96 Gal	20150	\$8.93	\$179,939.50
	71,742		\$455,297.32

2020 Disposal Costs

Tons: 56,768.67 tons

Net Contract Rate: \$82.00

2020 Disposal Costs (Annual): \$4,655,030.94 (56,768.67 * \$82.00 Per ton)

2020 Disposal Costs (Monthly): \$387,919.25 (\$4,655,030.94/12 Months)

Difference in 2020 Disposal Costs versus 2019 Disposal Costs

Difference: -\$67,378.07 (\$387,919.25-\$455,297.32)

Difference per Cart: -\$0.94 per cart. (-\$67,378.07 / 71,742 RDUs)

2020 Disposal Costs (2019 Disposal Cost - \$0.94)

2020 Monthly Disposal Rate

Size	2020 Monthly Disposal Rate
35 Gal - EOW	\$1.40
35 Gal	\$1.89
64 Gal	\$6.45
96 Gal	\$7.99

Collection Costs

- **Fuel Surcharge**- No increase, Price below \$3.50
- **Non-Fuel**- Consumer Price Index Adjustment- 2.0%

Disposal Costs

Total tons collected from Oct. 2018-Sept 2019= 56,768.67

Garbage collected (tons)	Tons
Oct-18	4,947.41
Nov-18	4,909.26
Dec-18	4,367.47
Jan-19	4,417.52
Feb-19	3,611.31
Mar-19	4,365.84
Apr-19	4,502.44
May-19	5,331.74
Jun-19	4,904.61
Jul-19	5,239.84
Aug-19	5,307.51
Sep-19	4,863.72
Total tons collected (Oct-Sept)	56,768.67

- **County Environmental Charge**- 28%
- **Solid Waste Management Tax**- 9.75%
- **Tipping Fee**- \$82 a ton

Number of RDUs

Number of occupied RDUs: 71,742 total

Number of 35-gal EOW carts (est): 5074 carts

Number of 35-gal carts (est): 17606 carts

Number of 64-gal carts (est): 28912 carts
 Number of 96-gal carts (est): 20150 carts

Summary of Occupied RDUs in Spreadsheet

RDU Summary for Haulers			
Spreadsheet date	RDUs In Spreadsheet	Active RDUs To Haulers	Vacant properties
9/10/2018	73485	72427	1058
10/24/2018	73413	72284	1129
3/20/2019	73398	71910	1488
6/4/2019	73393	71774	1619
7/19/2019	73364	71680	1684
10/2/2019	73386	71853	1533

Temp Service Holds

Service Holds		
Month	Total	Quarter
Oct. 2018	102	
Nov. 2018	137	Q4
Dec. 2018	139	
Jan. 2019	151	
Feb. 2019	130	Q1
Mar. 2019	109	
April. 2019	88	
May, 2019	68	Q2
June, 2019	83	
Total	1007	

Average Holds	112
Total Active RDUs (minus holds)	71741

Other Services

All other services including the following stay the same.

From: [Swanson, Christopher \(CI-StPaul\)](#)
To: [Tierney, Rachel \(CI-StPaul\)](#); [Lantry, Kathy \(CI-StPaul\)](#); [Young, Susan \(CI-StPaul\)](#); [Heng, Steven \(CI-StPaul\)](#)
Subject: FW: City Proposal for 2020 Garbage Hauling
Date: Thursday, October 24, 2019 1:52:45 PM

The haulers pulled out of the meeting tomorrow.

Chris

From: grevering.sph@gmail.com [mailto:grevering.sph@gmail.com]
Sent: Thursday, October 24, 2019 1:50 PM
To: Swanson, Christopher (CI-StPaul) <Christopher.Swanson@ci.stpaul.mn.us>
Cc: dschleck@messerlikramer.com
Subject: RE: City Proposal for 2020 Garbage Hauling

Think Before You Click: This email originated **outside** our organization.

Chris,
The Consortium Board Members have not been able to review the City's latest proposal, therefore the Board respectfully declines the Friday meeting with the City due to the short timeline. The Board Members will be getting together sometime early next week to review the City's proposal and then will propose a time to meet.

Thank you

Greg Revering

Chief Manager

St. Paul Haulers LLC.

grevering.sph@gmail.com

763-295-2054

From: Swanson, Christopher (CI-StPaul) <Christopher.Swanson@ci.stpaul.mn.us>
Sent: Wednesday, October 23, 2019 5:10 PM
To: grevering.sph@gmail.com
Cc: Tierney, Rachel (CI-StPaul) <rachel.tierney@ci.stpaul.mn.us>; Heng, Steven (CI-StPaul) <steven.heng@ci.stpaul.mn.us>; Young, Susan (CI-StPaul) <Susan.Young@ci.stpaul.mn.us>; Welsh, Ian (CI-StPaul) <Ian.Welsh@ci.stpaul.mn.us>
Subject: City Proposal for 2020 Garbage Hauling

Hi Greg,

Please see the updated city proposal for 2020 Garbage hauling rates.

Please have the consortium review so we can discuss this proposal during the meeting on Friday.

Chris

From: [Swanson, Christopher \(CI-StPaul\)](#)
To: [Greg Revering](#)
Cc: [Tierney, Rachel \(CI-StPaul\)](#); [Welsh, Ian \(CI-StPaul\)](#); [Heng, Steven \(CI-StPaul\)](#); [Young, Susan \(CI-StPaul\)](#)
Subject: 2020 St Paul Garbage Rates
Date: Monday, October 28, 2019 4:52:43 PM
Attachments: [City Letter to Haulers 10-28-2019 Final Version.pdf](#)
[image003.png](#)

Greg,

The City's goal is to set accurate quarterly rates that honor the terms of the Contract between the City and SPH. The City has been transparent in the process to determine the rates for 2020 so that residents will not pay more or less than they are required to pay under the Contract. We have been open to feedback from SPH on our calculations and have recalculated the rates.

The recalculated rates reflect agreement on the following factors:

- the fuel portion of trash collection costs (no adjustment);
- non-fuel portion of trash collection (adjusted to reflect a two percent CPI increase);
- fuel surcharge (none); and
- adjustment due to a change in law (none).

Regarding disposal costs, there is agreement that the price per ton for disposal has gone from \$69/ton to \$82/ton and that the amount of disposal -- from October 2018 through September 2019-- was 56,768.67 tons. It is also the City's understanding that there is agreement that the number of RDUs is 71,742, reflecting an average of 112 temporary service holds per month.

Using these numbers, the City distributed the disposal costs between service levels consistent with the 2019 disposal costs. To do so, the City took the annual 2020 disposal costs (total tons multiplied by the price per ton) of \$4,655,030.94, and divided by 12 to get the average monthly disposal costs of \$387,919.25 per month. The City then subtracted the disposal costs from \$455,297.32, which is the average monthly disposal costs for 2018-2019. The result is a reduction in monthly disposal costs of \$67,378.07.

The City then divided this monthly reduction by the number of RDUs to determine a per cart/per month reduction of \$.94 per cart. The City's recalculated rates reflect this \$.94 per cart/per month adjustment. These adjustments are reflected in the rates we will ask the Council to adopt on November 6.

The Council will hold a public hearing on rates on November 6, continued to November 13th. At that meeting, the Council will replace what is currently in the ordinance with the rates we have outlined below:

Cart Size	2020 Quarterly Rate
Sm EOW	\$ 57.60
Sm W	\$ 67.29
Medium	\$ 93.09
Large	\$ 99.45

The City is willing to meet with SPH to discuss any errors in the calculations reflected above.
If the Haulers wish to schedule a meeting, please call me as soon as possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Swanson". The signature is fluid and cursive, with a large initial "C" and a long, sweeping underline.

Chris Swanson
Solid Waste Program Supervisor



CITY OF SAINT PAUL

Melvin W. Carter, Mayor

1500 City Hall Annex

25 W. Fourth Street

Saint Paul, MN 55102-1660

Fax: 651-266-6222

October 28, 2019

Mr. Revering
Chief Manager
St. Paul Haulers LLC.

Dear Mr. Revering,

The City's goal is to set accurate quarterly rates that honor the terms of the Contract between the City and SPH. The City has been transparent in the process to determine the rates for 2020 so that residents will not pay more or less than they are required to pay under the Contract. We have been open to feedback from SPH on our calculations and have recalculated the rates.

The recalculated rates reflect agreement on the following factors:

- the fuel portion of trash collection costs (no adjustment);
- non-fuel portion of trash collection (adjusted to reflect a two percent CPI increase);
- fuel surcharge (none); and
- adjustment due to a change in law (none).

Regarding disposal costs, there is agreement that the price per ton for disposal has gone from \$69/ton to \$82/ton and that the amount of disposal -- from October 2018 through September 2019-- was 56,768.67 tons. It is also the City's understanding that there is agreement that the number of RDUs is 71,742, reflecting an average of 112 temporary service holds per month.

Using these numbers, the City distributed the disposal costs between service levels consistent with the 2019 disposal costs. To do so, the City took the annual 2020 disposal costs (total tons multiplied by the price per ton) of \$4,655,030.94, and divided by 12 to get the average monthly disposal costs of \$387,919.25 per month. The City then subtracted the disposal costs from \$455,297.32, which is the average monthly disposal costs for 2018-2019. The result is a reduction in monthly disposal costs of \$67,378.07.

The City then divided this monthly reduction by the number of RDUs to determine a per cart/per month reduction of \$.94 per cart. The City's recalculated rates reflect this \$.94 per cart/per month adjustment. These adjustments are reflected in the rates we will ask the Council to adopt on November 6.



An Affirmative Action Equal Opportunity Employer



Need this translated? Call us at 651-266-6100

Ma u baahan tahay tarjamadaan Naga soo wac 651-266-6100

Necesita esta traducción? Comuníquese con nosotros al 651-266-6100

Xav tau qhov no txhais los? Hu rau peb ntawm 651-266-6100

The Council will hold a public hearing on rates on November 6, continued to November 13th. At that meeting, the Council will replace what is currently in the ordinance with the rates we have outlined below:

Cart Size	2020 Quarterly Rate	
Sm EOW	\$	57.60
Sm W	\$	67.29
Medium	\$	93.09
Large	\$	99.45

The City is willing to meet with SPH to discuss any errors in the calculations reflected above. If the Haulers wish to schedule a meeting, please call me as soon as possible.

Sincerely,



Chris Swanson
Solid Waste Program Supervisor

cc: Kathy Lantry, Public Works Director
Susan Young, Administrative Program Manager
Rachel Tierney, Deputy City Attorney
Steven Heng, Assistant City Attorney
Ian Welsh, Assistant City Attorney

From: [Swanson, Christopher \(CI-StPaul\)](#)
To: [Lantry, Kathy \(CI-StPaul\)](#); [Young, Susan \(CI-StPaul\)](#); [Heng, Steven \(CI-StPaul\)](#); [Tierney, Rachel \(CI-StPaul\)](#); [Welsh, Ian \(CI-StPaul\)](#)
Subject: FW: 2020 St Paul Garbage Rates
Date: Tuesday, October 29, 2019 9:00:01 AM
Attachments: [image002.png](#)

From: grevering.sph@gmail.com [mailto:grevering.sph@gmail.com]
Sent: Tuesday, October 29, 2019 8:57 AM
To: Swanson, Christopher (CI-StPaul) <Christopher.Swanson@ci.stpaul.mn.us>
Cc: dschleck@messerlikramer.com
Subject: RE: 2020 St Paul Garbage Rates

Think Before You Click: This email originated **outside** our organization.

Chris,

As we discussed yesterday, I strongly stated that the City's current proposal has calculation errors in the area of disposal. I'll give you one example in writing as to what I stated verbally yesterday.

The City proposal for a 35 EOW disposal shows \$1.40 and if the City is truly following the Methodology in the OTC Agreement then the weekly 35 gallon service would be very obviously \$2.80 as the gallons of service double.

You have stated in our first meeting about the 2020 rate adjustment that you have been directed to redistribute the disposal cost decrease across all service levels. When I challenged you yesterday with the above calculation error and I stated that it appears that the City is redistributing the disposal costs, you stated again that you have been directed to do so.

I would expect that you will inform your leadership of this error in calculation. I also expect that the City will not publish the current proposed rates due to this very obvious error.

Thank you

Greg Revering

Chief Manager

St. Paul Haulers LLC.

grevering.sph@gmail.com

763-295-2054

From: Swanson, Christopher (CI-StPaul) <Christopher.Swanson@ci.stpaul.mn.us>
Sent: Monday, October 28, 2019 4:53 PM

To: Greg Revering <grevering.sph@gmail.com>
Cc: Tierney, Rachel (CI-StPaul) <rachel.tierney@ci.stpaul.mn.us>; Welsh, Ian (CI-StPaul) <ian.Welsh@ci.stpaul.mn.us>; Heng, Steven (CI-StPaul) <steven.heng@ci.stpaul.mn.us>; Young, Susan (CI-StPaul) <Susan.Young@ci.stpaul.mn.us>
Subject: 2020 St Paul Garbage Rates

Greg,

The City's goal is to set accurate quarterly rates that honor the terms of the Contract between the City and SPH. The City has been transparent in the process to determine the rates for 2020 so that residents will not pay more or less than they are required to pay under the Contract. We have been open to feedback from SPH on our calculations and have recalculated the rates.

The recalculated rates reflect agreement on the following factors:

- the fuel portion of trash collection costs (no adjustment);
- non-fuel portion of trash collection (adjusted to reflect a two percent CPI increase);
- fuel surcharge (none); and
- adjustment due to a change in law (none).

Regarding disposal costs, there is agreement that the price per ton for disposal has gone from \$69/ton to \$82/ton and that the amount of disposal -- from October 2018 through September 2019-- was 56,768.67 tons. It is also the City's understanding that there is agreement that the number of RDUs is 71,742, reflecting an average of 112 temporary service holds per month.

Using these numbers, the City distributed the disposal costs between service levels consistent with the 2019 disposal costs. To do so, the City took the annual 2020 disposal costs (total tons multiplied by the price per ton) of \$4,655,030.94, and divided by 12 to get the average monthly disposal costs of \$387,919.25 per month. The City then subtracted the disposal costs from \$455,297.32, which is the average monthly disposal costs for 2018-2019. The result is a reduction in monthly disposal costs of \$67,378.07.

The City then divided this monthly reduction by the number of RDUs to determine a per cart/per month reduction of \$.94 per cart. The City's recalculated rates reflect this \$.94 per cart/per month adjustment. These adjustments are reflected in the rates we will ask the Council to adopt on November 6.

The Council will hold a public hearing on rates on November 6, continued to November 13th. At that meeting, the Council will replace what is currently in the ordinance with the rates we have outlined below:

Cart Size	2020 Quarterly Rate
Sm EOW	\$ 57.60
Sm W	\$ 67.29
Medium	\$ 93.09
Large	\$ 99.45

The City is willing to meet with SPH to discuss any errors in the calculations reflected above.
If the Haulers wish to schedule a meeting, please call me as soon as possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Swanson". The signature is fluid and cursive, with a large initial "C" and a long, sweeping underline.

Chris Swanson
Solid Waste Program Supervisor