**Special Board of Directors’ Meeting**

January 24, 2018, 1:30 p.m.

Knox County Service Building, 117 E. High Street, Suite 251, Mt. Vernon, Ohio 43050

Board Chairman Tom Whiston called the meeting to order at 1:37 p.m. Board members present were Jeff Benton, Gary Merrell, Teresa Bemiller, Thom Collier, Roger Reed, Andy Appelfeller, Kerr Murray, Ken Stiverson, Warren Davis, and Tom Whiston presiding. Also in attendance were Jenna Hicks, Director and Cheryl Corbin, Fiscal Administrator. Visitors in attendance included Taylor Greely and Mark O’Brien both from Rumpke of Ohio, Inc.

Commissioner Whiston opened the meeting with a recap of why the Special Board Meeting was called, stating that Rumpke made a suggestion at the December 19, 2017 Board Meeting to meet with the Board to discuss the possible cost projections that Rumpke could be proposing for the next Delaware and Knox County Drop-off bids, and the Board agreed to meet with Rumpke.

Commissioner Whiston asked everyone to introduce themselves before continuing with Rumpke’s proposal.

Ms. Greely stated that based on information provided by Sims Brothers, Inc. at the previous meeting, she suggested the meeting and how Rumpke may be able to assist Sims with their issues of contamination costs. After reviewing information, Rumpke determined that their assistance would be minimal.

Ms. Greely stated that the second issue that she wanted to advise the Board on was projected costs for Knox and Delaware Counties, based on the model that they created, and stated that they believe the cost increase for the next contract would be a 20% increase for four years. Ms. Greely stated that Rumpke could either increase the contract 20% in the first year, and then costs would be static for the remaining term or increase it progressively over the four years. Ms. Greely stated that they could be flexible for our budgeting needs, and they could also be flexible on the length of the term. If both Delaware and Knox programs were to be extended at the same time, it increases their efficiency.

Commissioner Whiston questioned if the efficiencies could perhaps be extend for a term of 5 or even 6 years, and would the rate increase be extended over that period. Mr. O’Brien spoke up and clarified that if the term were to extend to the sixth year, then Rumpke would want the ability to re-negotiate the term. Discussion continued over how the progressive rate could be executed, and Mr. O’Brien verified that the 20% could be progressive over five years, and that again the efficiencies would help by longer terms. Commissioner Whiston re-iterated that when the new contract begins in 2019, Rumpke would require a 4% increase in 2019, a 4% increase in 2020, and so on for the five year term, with the option to renew for a sixth year term. Mr. O’Brien agreed that yes that was how that contract could be executed.

Ms. Greely advised the board that the reason more set numbers were not presented, was again because if the board wanted to consider the Marion drop dox program, then it would create even bigger efficiencies, and could reduce the cost of the Knox and Delaware programs even more. Ms. Greely stated that Rumpke is not looking to put the smaller MRF’s out of business, but if Sims states they can no longer afford to continue at the current rate, Rumpke could provide rates for all three counties.

Commissioner Appelfeller commented that he was under the understanding that the purpose of today’s meeting was to discuss projected costs to Delaware and Knox and not that a discussion of Marion and Morrow drop-offs was under consideration. Mr. O’Brien agreed that yes it was, but that they look at DKMM as a whole and wanted to let the Board know of all options available.

Commissioner Whiston asked how Rumpke’s operation will be affected by China’s recycling import ban. Mr. O’Brien stated that domestically they have a lot of relationships with the mills that they sell to and they are strengthening those relationships. Also Rumpke has enough business within the United States to lessen the effect of China.

Taylor mentioned the volatility of the market, and stated that when looking at Sims financials it could impact them more, but that Rumpke was big enough to sustain the bad years along with the good years.

Commissioner Whiston stated that he would like terms for Knox and Delaware counties, but then would like information on what Rumpke could do with both Marion and Morrow counties as the board makes decisions on what is best for the District.

Commissioner Stiverson stated that his concern is the past relationship Rumpke had with the District, and that he is cautious to trust Rumpke with service for the entire district. Once Rumpke gets service to Marion and Morrow, there’s no going back due to the change in service type.

Commissioner Collier asked Ms. Hicks if there were any concerns regarding the quality of service received from Rumpke. Ms. Hicks stated that since she has been having the ability to converse with Ms. Greely, she feels this has allowed things to be better. Ms. Hicks stated there are still issues with flexibility in service, or if trucks break down, but once service issues were adjusted and we seem to have adequate service, the issues get better.

Commissioner Collier addressed concerns with front-end loading, the littering that he witnessed as a result, and the truck driver not picking up the mess. He stated this was not necessarily a Rumpke truck and was not part of our program. Mr. O’Brien agreed that this can be a concern, especially on windy days, and that hopefully the drivers get out of the truck to take care of the issue. Ms. Greely agreed that that was a concern, certainly not how Rumpke trains their drivers, and always encourages communication with the District when that is observed in order to address the issue immediately.

Ms. Hicks reminded the board about the commitment made from the Board to Mid-Ohio Sanitation and Recycling, and the Board Motion to help fund the building investment.

Discussion continued on how Ms. Greely would move forward with a memo on what the Rumpke contract projections will be for Delaware and Knox. The District will bid out Marion and Morrow Counties and depending on what the Board decides on those programs will impact the final cost on the Delaware and Knox programs.

Commissioner Appelfeller asked Ms. Hicks to put together budget projections to show how Rumpke’s proposal will affect the bottom line over several years.

**ADJOURNMENT**

Commissioner Appelfeller made the motion to adjourn and Commissioner Stiverson seconded.

**Motion carries and meeting was adjourned.**

Respectfully submitted,

 Cheryl Corbin/DKMM

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Tom Whiston, Chairman Date