

## 2-02-17 Austin City Council Meeting

**Item 45: Approve a resolution related to Austin Resource Recovery's curbside textile collection contract.**

**Steve Adler:** So the only other item we have here, is Item Number – that we can take up before four – it looks like, is this Item 45, which is the textile deal. Okay. Council, some of the stakeholders are talking to themselves. Can we take a...

**Council Member:** Among themselves.

**Steve Adler:** Talking to one another.

**Ann Kitchen:** Oh, I'm sorry, go ahead.

**Steve Adler:** I was gonna suggest that we take a five minute recess to give them a chance to get back down here, on Item 45, if there's no objection, let's take five minutes.

**Ann Kitchen:** Could I ask you a question?

**Steve Adler:** Yes.

**Ann Kitchen:** I'm sorry, are Items 58 and 59... are those set at a time certain?

**Kathie Tovo:** They're four o'clock also.

**Steve Adler:** They're four...

**Ann Kitchen:** Oh, okay, gotcha.

### After five minute break

**Steve Adler:** All right Council, we have a quorum present, we're gonna go ahead and gear this up. The last item we have is, that we can do before four o'clock is Item 45. Textile issue. Ms. Troxclair do you have... want to make a motion?

**Ellen Troxclair:** I guess so that we have a motion on the table. Should I move passage of my Resolution?

**Steve Adler:** I think you should, and if you're going to make an amendment to it, I think you should go ahead and let people know that as well. So that if speakers want to speak to it, they can speak to it. Why don't you go ahead?

**Ellen Troxclair:** Okay, so I'll go ahead and make that motion if I can get a second I can...

**Steve Adler:** Okay, it's been moved to adopt Item Number 45 by Ms. Troxclair, seconded by Ms. Garza. Ms. Troxclair.

**Ellen Troxclair:** Okay, so this issue has been, I think, tough for every single one of us on this dais. We've been torn, I mean, so, not just the fact that we entered into a contract with a provider who made expenditures based on commitments from the City, but also then the concerns of the nonprofit community who are worried about the impact, the loss of, potential loss of revenue could have on not only their organizations but then, of course, the services that they provide to our community. And then there's the environmental concerns that the Council wants to make sure that we're furthering the... our efforts to get to zero waste. Anyway, lots of working parts in this item and not a whole lot of clear answers or clear solutions. But... and although I side with the nonprofits, I support their work in the community as everyone on this dais, I think, does. I think the best way forward at this point, is to look at potentially coming back in six months where... when we have a little bit more data. We're in a tough position right now because, of course, this is a new business model, something... a new program for the City, and the Council members, not only are being torn in lots of different directions but also feel like we might not have the data that we need to make a logical decision that benefits the community as a whole. So, I'm going to offer an amendment to my Resolution to... I don't have the... we're working on the language right now, and I'll try to pass it out as soon as I have it, but in essence to come back within six months, have Simple Recycling and the nonprofit community gather data during that time, not only about the impact on their collections, but also the impact on their community, on our community and potential loss of

services, as well as, zero waste goals. And in the meantime, have ARR and Simple Recycling work proactively with our nonprofit community to make sure that people are donating first, recycling second. So I would love to hear any feedback from our speakers on that proposal.

**Steve Adler:** Okay. No objection, we'll start calling speakers. First speaker is Fred Blood. Is Michelle Blood here? Is Brenda Gildner here? Okay, you have six minutes.

**Fred Blood:** Good afternoon Mayer and Council Members, my name is Fred Blood. I am retired, but started and ran an environmental consulting company in Austin for fifteen years and then worked for the City for fifteen years. In a full disclosure, both my wife and I donate time, treasure and talent to the Assistance League of Austin, but they are represented here by some very extremely capable voices. I'm here as a citizen doing what I believe is my civic duty, representing, I believe, what is best for the City of Austin. First off, I want to acknowledge that Simple Recycling has an eloquent concept. Simple, yet comprehensive. It provides for the first bite of the apple in the resource stream by implementation at the household level. As a former City employee, and current payer for their services, I also applaud Austin Resource Recovery for jumping on an opportunity to take a large step toward the Council mandated, yet unachievable, goal of zero landfill waste and make money, instead of, costing money. However, I believe in this case, there's a severe conflict between the striving for a Council goal and critical policy issues. This is a zero landfill waste goal versus affordability and civic participation policies, which are necessary objectives for a livable city. The risk is what is in front of you today. We citizens vote for you and pay you your huge "big bucks" to resolve these sort of policy issues with the wisdom of Solomon for the good of the City, and of course, in our favor. There are plenty of competent voices here that can discuss tons, dollars, advertising, scope of contract and so forth. I'm coming at a little different level. There is a resource flow created by citizens trying to properly to dispose of their belongings. The risk is created by the choice of who and how the resource flow is captured and used. I want to talk about this risk for there are winners and losers and I do not want the City to be a loser. On one side, we have for-profit enterprise, business models based on profit, they are a business. They sincerely want to assist the City towards a concept of zero landfill waste, but we... can we ever really get to zero waste as long as there are disposable baby diapers? This business will use this resource flow to their benefit, as I said they are a business, most of the resource flow, which are Austin resources, will end up in Houston or Ohio on a balance sheet. On the other side, Austin-based organizations that range from large international corporations to small local neighborhood groups. Some of these organizations collect donations and most provide progress toward the zero landfill waste direction. Together, they all can. The entities that are associated with thrift shops and garage sales take the donated, discarded belongings that they sell at a discount for citizens which greatly increases affordability for thousands of families trying to survive in this community, at this time. In addition, the nonprofits take the proceeds and then leverage them with tens of thousands of volunteer hours to provide hundreds of social services. Providing jobs and job training, addiction counseling, help for wayward girls, scholarships for the most needy, gifts for the hospitalized children and their families, assisting with AIDS costs, and on, and on, and on, all the way to planting shrubbery at the local church or school. The for-profit local users also provide very valuable local services in the form of jobs, sales taxes, property taxes to the City and school district. Without these hundreds of supported social services Austin could become hard, mean-spirited, and unaffordable. Doesn't it sound like a little bit like Gotham? Or, since we are trying to be a caring, inclusive community, Austin would have to raise taxes, past California levels, to provide equivalent government services to an under-served community. Allowing a for-profit, non-local business to take the first bite of the apple, makes this scenario a very real risk. Should these non-local business... should these community services be put at risk, even for the advance of a highly valuable direction which for now, is toward a currently unattainable goal? Is not part of the name of the department Austin Resource, *Austin Resource*? When we say, "I live here and I give here", shouldn't "here" be Austin, Texas? I believe there's a better way to move in the direction of the goal with a lot less risk. Assist, like putting on steroids, existing nonprofits thus increasing their take of the resource stream, as well as their positive impact on the community. Help them help you strive in that direction of zero landfill waste, as well as affordability and being socially responsible. Then maybe, just maybe, a creative person that can now afford to live here in this very livable city, will figure out what to do with those baby diapers. Thank you for your time, attention and, oh yeah, by the way, good luck with that Solomon thing.

**Steve Adler:** Next speaker is Sharon Bly. Is Ms. Bly here? Next speaker is Deana Houston. Or Dana Houston?

**Deana Houston:** Hello, my name is Deana Houston, I live in District 10. I was at the stakeholder meeting on Tuesday as a recycling block leader for the City of Austin and as one of the seven thousand residents of Austin

who are using Simple Recycling's service. We met for over two hours. The object of the meeting was to come to some sort of terms, some sort of agreement, between the stakeholders and Simple Recycling to work together to support both the charities and continue Simple Recycling's curbside service. Some great ideas were presented at this meeting. Adam Winfield, President of Simple Recycling, offered the suggestion of attaching a card to all of his green bags that would include the following information. Number one, that he is a for-profit company, so everyone would be aware of that. Everyone should donate first to their favorite charity, and then a website listing all of the charities in the Austin area. After more than two hours of really productive conversations, suggestions, at the very end Goodwill, Salvation Army, the Assistance League of Austin and Easter Seals declared that Simple Recycling was taking business away from them and the only solution that they would support was to cancel the Simple Recycling contract. I was very disappointed. I thought we had come a lot further in that meeting. As a recycling block leader and recycling educator, I am committed to helping the City achieve its goal of zero waste by 2040. I have learned that most people do what is the most convenient and, unfortunately, that is throw everything away. Simple Recycling is a small business with a mission to reduce the amount of textiles and goods that go into our landfill. They provide a very important service to the City by picking up unwanted goods curbside and keeping them out of the landfill. I think we should be applauding them rather than kicking them out of town. I personally donate goods and money to all of the charities represented here today. And, I donate to Simple Recycling. I want a choice. I would love a choice. Canceling the contract will work against the City's zero waste goal and will cost the City a lot of money. It's not fair to Simple Recycling or the citizens of Austin to do so. Please do not take a recycling choice away from us. I ask that the City Council not cancel the City's contract with Simple Recycling. Please allow them to continue this wonderful service to help Austin achieve its goal of zero waste. Thank you so much.

**Steve Adler:** Yes, Mayor Pro Tem.

**Kathie Tovo:** I have a quick question for you, if you don't mind?

**Deana Houston:** Oh, yes.

**Kathie Tovo:** Thank you...

**Deana Houston:** Sure.

**Kathie Tovo:** ...very much for being a block leader for our recycling.

**Deana Houston:** You're welcome.

**Kathie Tovo:** Could you help me understand... so, we've gotten a lot of some... certainly some feedback over the last couple of weeks from block leaders, such as yourself. And I wondered how you found out about the issue? How you were communicated with? If you could just give us a little bit of context about how the block leaders were motivated and informed about this issue.

**Deana Houston:** I'd be happy to. Well first of all, about a year ago I met someone from Sugarland. We were talking about recycling and she told me, "Oh, my gosh, there's a service that comes by on recycling day." So, she told me about Simple Recycling. So, I had heard about it, and, so when they came here I made a point of learning more about it. And I went to the block leader's meeting that they had at Austin Rereads where Simple Recycling presented its program and how we as block leaders can help, you know, share the information, what they won't take, what they will take, to encourage people to still donate to their favorite charities. I mean that was encouraged from the very beginning. So, I started trying to get data from Simple Recycling on how much are you really collecting? How many people are involved? They have to keep that data for the City for their, their records. And so I was in touch with some of the people at Simple Recycling, Adam Winfield particularly, to say, "So, how much have you gathered now? And how many people are participating?" And that's when he told me that this issue was in front of us. And so I started contacting other recycling block leaders and saying, how do you feel? And, it went from there.

**Kathie Tovo:** Thank you.

**Deana Houston:** You're welcome.

**Kathie Tovo:** Thanks for explaining that, I appreciate it.

**Deana Houston:** Thank you. Any other questions? Thank you.

**Steve Adler:** Thank you. Next speaker is Laurie Shanblum. On deck is Jan Gunter.

**Laurie Shanblum:** Thank you Mr. Mayor and Council members, I appreciate the opportunity to address you. My name is Laurie Shanblum and I'm here as a member of the Salvation Army Adult Rehabilitative Center Advisory Council. And for those of you who aren't familiar with that, that's the facility out on South Congress that is operated by the Salvation Army, that is a rehabilitation program that serves 133 men at a time and provides them with substance abuse counseling and intervention services as well as other life skills, job training, and assists these individuals in getting back on their feet and to work. We are also working on a project that is already off the drawing board and in progress that would provide a 48 bed shelter exclusively for women to address the needs of that at-risk population that is not being served at a level that is viable here in the City of Austin. I've been on the Council at the Adult Rehab Center for over twenty years. And I also teach classes out there and have direct contact with the men who are the beneficiaries and our clientele. My position, and it may or may not be consistent with some of the other nonprofits, or even the Salvation Army as a whole, but my position, is that the contract clearly should be cancelled. And I have several reasons why I would like to address that with you. The first reason, is because the problem that you have created is bigger than the problem you set out to solve. The zero waste initiative is a commendable, laudable initiative, but my position is that we, the Army, as well as Goodwill and the other stakeholders involved in this process, can help you reach that goal by 2040 without crippling our revenue stream that is so absolutely essential, not only from an altruistic level but, in hard dollars that the City would otherwise be spending on social services, legal services and other services to the clients that we serve. And my position is further, that those costs would not be optional for the City to make up and would far exceed whatever the real cost of canceling this contract might be for the City. And the reason is that the costs that we generate in serving our clients would ultimately have to be picked up by the City even if they didn't elect to replace the social services that we provide. Because our clients would end up in jails, they would end up in mental health facilities, they would end up averting the law enforcement, they would end up in hospitals where the City has no recourse but to pick up the tab for them. I would question the inherent viability of the contract because there is a stipulation that I would quote in the Scope of Work, and I'll read it to you. The Scope of Work, by the way, has been... I don't know what that is. Excuse me.

**Steve Adler:** That means your time is up, so you have to finish your thought.

**Laurie Shanblum:** Okay. The Scope of Work has been incorporated into the contract and it reads that "the collection services program will not compete with the charitable clothing donation centers." That is stated two times in the Scope of Work and it's also further stated that it is to be an alternative of the last resort.

**Steve Adler:** Okay.

**Laurie Shanblum:** Thank you.

**Steve Adler:** Thank you.

**Steve Adler:** Jan Gunter is up next and David Sams is on deck.

**Jan Gunter:** Mayor, City Council. The Salvation Army applauds the City of Austin's Zero Waste goal and in fact, already plays a large role in local recycling efforts. Last year alone we diverted 983 tons of textiles, only textiles, 983 tons, out of our community's landfills. If you add in the furniture and the electronics and all of the larger items that number goes up to 3,400 tons, and the Salvation Army wishes to come alongside the City of Austin and increase our efforts toward this zero waste initiative. If given the opportunity, and we did spin out some good ideas in that meeting earlier this week, to implement some of those ideas the Salvation Army could further enhance its environmental impact. The Salvation Army Adult Rehabilitation Center is 100 percent operated through funding that comes in from our four local family stores, all of those, the items... so it's funded by the items that are donated, the majority of which are textiles like we put in those green bags. The Salvation Army Adult Rehabilitation Center is only one of many programs of the Salvation Army here in our community and receives no government funding. We are taking textiles, the very things that go in those green bags, and turning them into changed lives and we have a number of those folks here with us today. Would you all stand for a moment? These are all men that are currently in our adult rehabilitation program. Thank you. You can stay standing or sit. 1,427 men in our community served this last year; 40,000 nights of lodging and 135,000 meals. These services come at a cost of seven million dollars in one year funded entirely by donations. Lori mentioned our plans to expand. We have raised the money to build the new women's facility desperately needed for this underserved population, but you have to know that, you can imagine as we've been planning

for this facility that we have known that we will have to up our game in terms of operating costs. We've got to bring in more donations, not less. Over the last several weeks, we have tried to come to grips with this and make a response that we now find ourselves making. We believe, and in fact know, that we cannot, we cannot do more with less. In fact we know that we can't do the same amount of service as we struggle through to even make today's operational budget with less and not more. So I want to ask you this. As you count the cost, I know you're counting the cost, as you count the cost, count the cost to lost services and the burden that would fall to the City and I want to say that unfortunately if we delay in cancelling the contract, what we risk is bankrupting our community. Thank you, Council Member Troxclair for... we will accept the six month delay reluctantly today, and I will leave that with you. Thank you.

**Steve Adler:** Thank you. Sir.

**David Sams:** Good afternoon Council, thank you for your service. I'm Major David Sams, I'm the Administrator at the Adult Rehabilitation Center here in Austin. The Adult Rehabilitation Center model saved my life. I checked into the Adult Rehabilitation Center in Charlotte, North Carolina in 1994, as a beneficiary needing my life transformed. The Salvation Army helped me do that through this model, through this program. I am very rare in the Salvation Army as a whole in the country that I have risen from being a beneficiary, or a client, to being the Administrator. I understand the part about addiction that is so ruinous to lives of the citizens in Austin. I have brought some of our men who are, by the way, wearing donated clothes today that they would have not had to look so nice if it wasn't for the generosity of the citizens of this community. We ask today that you do consider the human cost of the contract with Simple Recycling and give us a chance to reclaim that tonnage. We agree whole heartedly with sustainability and that is our goal also, as members of this community. I thank you and we would accept six months if we could, to provide more data to this Council so that you might be informed. Thank you for your service.

**Steve Adler:** Thank you. The next speaker is Brian Dunman and Cathy Hurwitz is on deck.

**Brian Dunman:** Good afternoon, my name is Brian Dunman. Within the past year I became homeless from the use of drugs and alcohol. I lost all hope, even to the point that committing suicide was my only option and I found myself homeless on the streets of Austin. I heard about the Salvation Army Adult Rehabilitation through The Arc. I made my way to the Salvation Army Adult Rehabilitation Center where I was taken in with open arms, at that time when my family and friends wanted nothing to do with me. This is where the healing started. Not only did my health begin to change for better; my mind and spirit began to heal. The Salvation Army clothed me, and fed me. They provided me with hope and gave me a purpose in life through counseling, classes and spiritual regeneration. The Salvation Army Adult Rehabilitation Center's program has been provided to me, like so many other men, free of charge. This can only be done through donations from the public. If we were to lose these donations, it would have a dramatic negative affect on the Salvation Army's ability to save lives, as they have done mine and so many others. The Salvation Army Adult Rehabilitation Center provides an invaluable service to the Austin community accepting men off the streets of Austin and ultimately transforming us into respectable, productive, part of society with a new life gained as none we've known before. I am one of these men, I've gained my family back, for which I am deeply thankful. Without the Salvation Army Adult Rehabilitation Center, I would not be standing before you today. I am no longer hopeless, I now have respect for myself and others. I know I am worthy of this new life I have been given. I express my gratitude to the people of Austin for their donations and thank you City Council for listening.

**Steve Adler:** Thank you. On deck is Jamie Gadflow or Gadfield?

**Cathy Hurwitz:** Garenflow. Good afternoon Mayor, Council Members, this being Groundhog Day I'm taking the liberty of repeating some of what I said here last week. I think it's so important to make the point of who the Assistance League is and what we give back to this community. Assistance League of Austin has been part of the Austin community for nearly 45 years. We are a 400 member all volunteer organization. Every year our members give more than 60,000 hours to our community. At the current value identified by the Department of Labor those hours are worth 1.3 million dollars of service. All of our nine programs address local needs. They are funded by our Thrift House which was established in 1987. Assistance League has been recycling and repurposing in Austin for 30 years. Many people know of us because of our flagship program, Operation School Bell. In the 35 years that School Bell has been serving the greater Austin area, we have provided a school wardrobe to more than 85,000 at risk children. This year we will dress at least 6,000 kids. As just a few examples we established a uniform closet at Martin Middle School and this year alone served 250 children from there. We took 103 teenagers from East Side Memorial High School to Target, to dress them so they

would feel comfortable going to school, and we provided clothing to 68 children from Safe Place. Those who have children and grandchildren may know Assistance League because of our toy cart at the Children's Hospital. We're the nice ladies who treat the sick children to a toy and book, four days a week for as long as they are at the hospital. Last year we gave 22,000 patients and their visitors gifts from Assistance League. Besides those two programs, we have seven additional ways in which we serve the community. We take 1,000 low income seniors on outings every year. We give scholarships and assign mentors to 50 ACC students, Fresh Start prepares life kits for 40 to 50 kids aging out of foster care to help them prepare for their next stage of life. Operation Wish List is a program that adopts a school from a financially challenged area and provides items requested by the faculty of the school that will enhance the educational experience of the students. This year we will purchase \$30,000 worth of items for Norman Elementary School. Last year, in addition to fulfilling the wish list from Allison Elementary, our L- program purchased \$40,000 worth of books for libraries throughout the City. None of these programs happen without the revenue from our Thrift House. Thrift House provides 75% of the funds to operate our programs and our Thrift House does not operate unless we have donations. A very large portion of the materials sold in our store would be classified as housewares, clothing, and accessories; the very items that residents are encouraged to put in the Simple Recycling bag.

**Steve Adler:** Hold on just one moment. Is Marcia Adams here? You have another three minutes.

**Cathy Hurwitz:** I do. Well thank you very much. Okay, let me find my place again. While large charitable organizations may be able to survive for several years while the City experiments with this program and studies its effect, Assistance League of Austin's thrift store may not. We live or die based on our donations. If our Thrift House closes, our programs close with it. We do not know what this initiative will do to us; but we know it will not strengthen us. We ask you to cancel the contract with Simple Recycling and to work with local organizations that recycle, resell and repurpose to find a better way to solve the problem of goods going into our landfills. Our program that may be relevant to this discussion, as well, is Waste Not. Those items that we are not able to sell in our store are shared with other 501c3's. Very little of what is given to Assistance League ever goes to a landfill. And having said that I would like to see the contract cancelled, I would like to say that we will support Council Member Troxclair's amendment to postpone for six months. So, we thank you all for hearing us.

**Steve Adler:** And to be clear, what I understood Council Member Troxclair say was not postponing it but having a look back in six months to see, check the data, and that kind of thing.

**Cathy Hurwitz:** We would gather data, as I would assume you gather data from Simple Recycling to see whether they are meeting the terms of the contract, if they are picking up the items as is required in the contract, and that sort of thing. I would assume that would be part of it. Okay. Thank you.

**Steve Adler:** I understand. Mike Nasi is on deck.

**Jamie Garenflow:** Oh I'm sorry I thought you called Jamie Garenflow.

**Steve Adler:** Yeah, yeah you're up now.

**Jamie Garenflow:** Oh, okay.

**Steve Adler:** On deck, next up. Sorry.

**Jamie Garenflow:** It's fine, got it. My name is Jamie Garenflow, as you can tell I am a member of the Assistance League of Austin and our President, Cathy, has really gone over why I believe long term the Simple Recycling project will be harmful to the local nonprofits in Austin. I have a concern and it does go to what you were speaking about in terms of gathering data, Council Member Troxclair. My concern is what are the project's measures of success and who is monitoring it? How frequently is that done? Is it the monitoring done just by Simple Recycling, or are we measuring what goes into landfills, and how is that being done? Also the consequences of not complying with the terms of the contract and I bring this up because in my area, in District 10, I started seeing a couple of people put out green bags shortly after, I think it was, December 4<sup>th</sup> that they began. I myself never received a green bag, neither did about half of the members that I have talked to in my neighborhood, never received a green bag. The few green bags that I did see out on the neighborhood curb, languished for days beyond the recycling pick up day. Now it's my understanding, that this contract with Austin is large for the company. They previously, I had heard Pearland, maybe it was Pearland Sugarland but on a scale that does not compare with Austin, and I wonder whether they're really prepared for the scale that we

have here in this City. I would really like to see some type of audit of the customers using Simple Recycling and ask them, did you ever get a green bag? How long did it take to pick it up? I don't want to just measure what goes in the landfill but what are they actually doing? And in closing, I would just like to say that it might cost a million dollars to cancel this contract but in terms of the value that is provided by the local nonprofits back to our central Texas community; we give you back many times over a million dollars a year, and I would hate to see that lost. Thank you.

**Steve Adler:** Thank you. The next speaker, next speaker Sir, and then Todd Marvin is now next up. Sir.

**Mike Nasi:** Thank you Mayor and Council. First of all, for your service I echo what Fred said, it's a great service to our community. I'm Mike Nasi, I serve as the Salvation Army's Chairman of the Advisory Board in Austin. I'm honored to serve in that role and I've been honored to be involved with the Salvation Army for about 13 years on its Advisory Board. I won't repeat the great value that these great organizations bring to the community, you've heard and you'll continue to hear that. I'm going to narrow in on two themes very specifically. One, you've heard a little bit about this, we are your partner in the Zero Waste goal. It is not just laudable it's an essential goal. We are a part of that solution and I hope that's become clear and will continue to become clear. The second is, we can do better than this contract. In my day job, I'm an environmental lawyer and for about 23 years I've been involved in recycling efforts in our community that have been awesome, in our state that has been effective, and across the country, and community engagement and partnership is always the central ingredient of success. I think you all know that, and it's really just timing and the predicament of where we sit that makes this a difficult choice. I respect Councilwoman Troxclair's leadership on this issue, and her motion as amended will provide – certainly we would like the contract cancelled, but we understand the value of a six month look back to evaluate really a much more meaningful total cost benefit analysis on this contract – the cost to social services. The benefits of this contract versus a more cooperative community engaged solution that involves these great partners. We look forward to that process; we respect the desire to resolve this and allow for time to evaluate. I will point out that during that process we would ask for the contract to be carefully scrubbed. The advertisement for this program, the collection bags, the list of things that they are advertising to collect, are in direct competition with these entities. The clauses of the contract prohibit competition. There are serious questions here legally. We are certainly going to do our job to bring data to the Council, to unfortunately have to document the damage that will be done in that six months. We would simply ask for a continued careful evaluation because I do not believe, based on these materials and what's going on, that we have compliance with the contract. Turning to the positive, if we can come up with ideas to in fact talk about these nonprofits in these materials, which they're not referenced, the idea of not having competition and having this be an outlet of last resort is to remind folks of these great nonprofits and they're opportunity to collect; that's not in the advertisements. That's not in the collection bags. So at minimum let's do some mitigation during this six months to fix that problem. And I appreciate your time and willingness to hear us today. Thank you.

**Steve Adler:** Thank you. Yes, Mayor Pro Tem. Excuse me, Sir.

**Kathie Tovo:** That's Okay, I didn't have a question for the speaker, I just wanted to say, I just handed out on the dais – and Council Woman Troxclair this may have been the direction you were going with some of your amendments too, but I wanted to take a crack at it while I was thinking about it. But I did just hand out some amendments, asking our City Manager to develop and implement specific plans for increasing the reuse and resale of household items and textiles within the Austin economy. And it picks up on some of ideas that some of you have circulated. But, you know, if we have other speakers to hear from today, and you have additional ideas, we could certainly make that part of the amendments as well. The first was notifying Austin Resource Recovery customers that Simple Recycling is a for-profit company that sells goods or items in markets other than Austin, and encouraging customers to donate useable items first to one of the many nonprofit organizations in the city, and as appropriate facilitating such donations. And then it just concludes by asking the City Manager to work with Simple Recycling to communicate these messages, maybe in the ways you've suggested through their literature, or by an addition to the bag, as well as deploying City resources such as our ATXN network, utility bill inserts and other communication methods. So again, as we have additional speakers, if you have other ideas that you think we should forward on to our City Manager this would be a great time to let us know about them, so we can talk about them in our conversation after. So thank you, I think that picks up on at least one of the ideas that you mentioned.

**Mike Nasi:** Great. Thank you for your time.

**Steve Adler:** Thank you. Andrew Dobbs will be next speaker up. I'm sorry, hold on one second, please. Ms. Alter.

**Alison Alter:** I have a question for Council Member Troxclair. I just want to make sure that I'm understanding the amendment. So it's saying that, "The City Manager is directed to return to City Council within 180 days", so the City Manager can come back to us before a 180 days if the data suggested that we needed to act more quickly.

**Ellen Troxclair:** Yes, thanks for that clarification. The amendment that was passed out is actually Council Member Renteria's amendment. I think that maybe he was thinking the same thing, but I think his amendment more or less summarizes the direction that I was heading. And I would want to make sure in whatever we pass that, you know, six months is a good amount of time to collect data but if there's... I don't want us to get six month in and the Assistance League isn't around anymore because the impacts have been so drastic that they couldn't make it six months. So if in two months, or three months or four months or whatever that time is, if the Council feels there's an action that needs to be taken, I don't think that there's anything stopping us from bringing this issue back up before the six month time period.

**Alison Alter:** Do we need to clarify that in this language or does this type of language address it? That was one question, the other thing is, was there a magic reason for six months in the first place, that there was some reason to think that six months was a particularly useful time period?

**Ellen Troxclair:** I think that six months is long enough that we will have the ability to collect meaningful data, but not so long that if there are impacts that we want to mitigate that it doesn't go beyond six months without us reevaluating, but Council Member Renteria might also want to speak to the amendment.

**Sabino Renteria:** I just feel like that, you know, this would give us more data if we go for six months. But if there is, you know, if we get information up front that's saying, "hey something's going on, and it's gonna hurt us really extreme if we don't change it immediately". You know, there's a lot of other nonprofit groups; I give to Goodwill. I have another thrift store on 7<sup>th</sup> Street that I donate to, but I do recycle my socks and torn up clothes. I put them in... unfortunately there is not a place there to recycle. My neighbors, they'll just go ahead and throw it in the trash and it will end up in landfill. So I think 180 days will give us enough time to evaluate all that information and we can make a decision that's... so, that's the reason why. Now if you feel like there should be a shorter date, then you can tell me what you recommend and I would like to hear that.

**Steve Adler:** Okay, we still have some other speakers to speak publicly. Ms. Kitchen.

**Ann Kitchen:** We can talk about this more later. I might be suggesting some language as you mentioned and as others have talked about to clarify that we definitely want to be reported back sooner than six months if we're seeing losses to the nonprofits.

**Steve Adler:** Mayor Pro Tem.

**Kathie Tovo:** I appreciate this exchange, and I guess I would ask that both the nonprofits and Simple Recycling, if they're collecting this data on an ongoing basis it would be really useful to get it, I would think even in a memo form just once a month, so we can monitor it in real time.

**Steve Adler:** Okay.

**Kathie Tovo:** So maybe, can I just also clarify, this is from Council Member Renteria, is that right?

**Steve Adler:** Yes.

**Kathie Tovo:** Okay, Council Member Troxclair are you still distributing one, or do you think this captures what you had in mind?

**Ellen Troxclair:** I do have one that I could distribute but I really think that Council Member Renteria's amendment mostly gets to the same point of the issue.

**Kathie Tovo:** Okay, thank you.

**Steve Adler:** Okay. Sir.

**Todd Marvin:** My name is Todd Marvin, President and CEO of Easter Seals Central Texas. I am here today to express support to cancelling the current contract with Simple Recycling on behalf the 15,701 people with disabilities and their family members that we serve in this community. We cannot support an accomplishment of a zero waste goal if it's at the expense of Austin's homelessness and affordability goals. We shouldn't advance progress to one goal to the detriment of others. The City of Austin today invests an impressive amount of money to provide basic safety net services to thousands of people in need in this community. The Simple Recycling contract weakens the return on investments you are making in safety net services by undermining the financial stability of your nonprofit partners that provide those safety net services. At the end of the day, there really isn't anything magical about, or unique about, Simple Recycling's business model. There isn't anything that Simple Recycling is doing today that any number of local nonprofits could not accomplish for you. By cancelling this contract we can still make progress and I would suggest based on the more than the 100,000 tons that your local nonprofit providers are diverting away from local landfills today, we could make progress much more quickly by partnering with local nonprofits and cancelling this contract. We can make progress, we can accelerate progress to Austin's zero waste goal. We can accelerate progress towards accomplishing the City's goals to end homelessness and decrease affordability, and you will leverage current investments the City is already making in safety net services in this community. Thank you.

**Steve Adler:** Thank you, after Mr. Dobbs, Vickie Pridgen will go next. Mr. Dobbs.

**Andrew Dobbs:** Thank you Mayor and Council. I'm Andrew Dobbs, I'm with Texas Campaign for the Environment. I want to thank everyone for coming out today, sorry it has to be like this. I do want to clarify something as I start my comments because we do oppose cancelling the contract. We do support the compromises on the table right now. What I want to clarify is that if it does end up being the case that we determine that Simple Recycling's donations, collections are coming from the nonprofits or substantiality coming from the nonprofits we would absolutely support cancelling this contract, because these nonprofits are a higher and better use than Simple Recycling, and zero waste is all about driving materials to the higher and better use. The issue for us is that that has not been established at all, and the fact that we do know is that tomorrow the City of Austin will be collecting textiles at the curb at 191,000 homes one way or the other. We're either going to be collecting them in the garbage can or we're going to have an alternative available. Right? It is our hope, and it is the belief of Simple Recycling, that the predominant number of these collections are coming from what would have gone into the landfill otherwise. We don't know that either, that is what has to be clarified and so that's why we are very excited to see that there has been a compromise placed on the table to collect that data so that we can determine. What we do know is that Simple Recycling has operated in other communities and they've operated for a long time and the nonprofits in those communities have influence and organization there, like they do here, and they haven't been run out of those towns. So I think it would be very premature for us to run them out of here. I want to clarify that the one point that there seemed to be a great deal of consensus on on Tuesday was about placing some sort of literature with the bags, as your amendment said, to clarify to people – because there is a universe of people right now that believe they're giving to charities when they put it in the Simple Recycling bags and they need to know that they aren't. I think that that is going to do a lot to prevent this. The other thing that I think is really important to note here is that we believe that the City should be doing – to prevent, to kind of get ahead of this, to be proactive – doing some positive things to drive donations to these nonprofits. To make that work successfully there will need to be a specific goal set. If you just say we want to do this in the abstract, we all know, you're all successful people or we wouldn't be here, if you just do that, it doesn't work, you have to have specific goals set, and I think we're gonna need to talk about what sort of resources does the City have available? Material resources, human resources to make that happen because if we can do that, then we can have a win-win. That's the best chance of having a win-win, is the City putting their shoulder into benefiting these nonprofits while still collecting this stuff at the curbside. Two last things I want to say, one is, I do want us to stay away from any kind of talk of, you know, this stuff is going to Ohio or Houston so it doesn't count, because I think that one of the poisonous ideas of our time right now is this idea that if you're not exactly where I live you don't count, and other people elsewhere can get bent. We're all one, we all need to respect the humanity of everybody. We need to respect the needs of those communities too. We need to prioritize this and we need to stay away from that. The last thing I'll say, I can wrap of with that. Happy to answer any questions.

**Steve Adler:** Mayor Pro Tem.

**Kathie Tovo:** I just wanted to say, thank you for your message that you sent along last evening with those ideas that have been discussed in the stakeholder meeting. I think they're very good ideas and I hope we can move those forward.

**Andrew Dobbs:** Thank you, Mayor Pro Tem.

**Steve Adler:** In fact the balance of that email that you sent out yesterday, is not always seen in communications that comes to those of us on this dais, and that was appreciated as well.

**Andrew Dobbs:** Thank you very much.

**Ann Kitchen:** Yes, I wanted to say I appreciate that also. I think... I'll have some more comments, I think we're close. I think, I'm not quite comfortable with just postponing for six months and collecting data in the meantime, so, but I think we've already started talking about some things we can perhaps do to make sure that during that six month period we don't have an inadvertent impact on our nonprofits.

**Andrew Dobbs:** Yes, absolutely. And the other ideas that I've suggested here, I was not suggesting that we wait six months to start those things. They should start immediately. We should be doing everything now.

**Ann Kitchen:** Okay.

**Andrew Dobbs:** Thank you, very much.

**Steve Adler:** Thank you. Next speaker identified is Vicky Pridgen, and on deck is Traci Berry.

**Vicky Pridgen:** So that's a hard act to follow but my name is Vickie Pridgen and I currently serve both as a Zero Waste Block Leader for the City of Austin and also a Real Goodwill Ambassador with Goodwill of Central Texas. I've organized Real Goodwill tours with a number of organizations, namely The Austin Young Chamber, and the Nonprofit Professionals Network of Austin. From AYC alone we had 105 young professionals attend Real Goodwill tours last year to learn more about Goodwill's mission and the services that it provides here in Central Texas. I know, because of my involvement with Real Goodwill, that Goodwill of Central Texas can recycle that single shoe, that broken blender, those torn up clothes that Councilman Renteria mentioned. Goodwill of Central Texas has the bandwidth to maximize the value of each item that is donated to use, even when the goods aren't in good enough shape to put on the shelves and sell back to the community. But most people don't know that. Most people don't know the extent of Goodwill's recycling capabilities and they're still choosing to throw that single shoe away instead of donating it to Goodwill or another reuse nonprofit. We need more education and community outreach around the reuse and recycling options here in Austin, we don't need fewer options. So thank you guys for postponing your decision until you feel you are able to make one. I was also at Tuesday's stakeholder meeting and I was impressed by Adam Winfield's, founder of Simple Recycling, generosity and his willingness to partner with the local nonprofits; provide them free marketing to educate them about their local reuse donation options and nonprofits that exist here. Free to the nonprofits, not free to Adam, he seems to really want to work with our community. I'll skip a lot of this because I have already emailed you guys, but in the City of Innovation let's work together to brainstorm ways to recycle more and together improve citizens' awareness about all of our recycling and reuse options here in Austin. Thanks.

**Steve Adler:** Is Roberta Schertz here? Is Amy Wood here? Is Marilyn Wilson here? You have 12 minutes, if you want to take it.

**Traci Berry:** Thank you very much, Mr. Mayor and Council. My name is Traci Berry and I'm the Senior Vice President for Community Engagement and Education with Goodwill Central Texas. And I first want to start out by actually just thanking Council Member Troxclair for your unwavering support, we really appreciate all that you've been doing for the nonprofit community. This turned into far more of a debate than I think any of us thought so I just want to express my appreciation. So we are here to respectfully request the cancellation of the contract, and I want to start with also saying that we are 100 percent committed to zero waste. And we understand that you're in conflict and want to propose that you don't have to choose, that you have a demonstrated track record of success with the not-for-profit community, and that we can solve the problems for both the community – we don't have to choose between affordability, and housing, and social services, and the environment. And so I just wanted to take this opportunity to walk you through a few things because there is an education factor. You know, we're a unique community and I think on the slides that I passed out the first thing is that, on that "Textiles diverted in the City of Austin," is that Simple Recycling uses national EPA data to

support their business case, and this data may be true in some communities, but as you can tell, it's very much not true in our community. They are saying that 15% of textiles are donated, and 85% are landfilled, and actually in Austin, 81% of textiles are donated, 19% end up in landfills. And so what this tells us is that we have already achieved tremendous success. The reason that our zero waste problem with textiles is only 3,300 tons, is because we all exist and we're already taking it out of the landfill. And so because of that, because of nonprofits who have invested so much in our community, and invested hundreds of millions of dollars to respond to those evolving needs, that we want you to bet on us to solve these problems. You know we're successful because of the principals that we use in business and we work to achieve the greater good, and one of the most critical investments for that is market research. Most businesses do it; we're no different, and so it's important to know that the market data shows that convenience is key. We've had... there's four different studies that have been conducted over... since 2003 across the nation. And it talks about convenience being the primary indicator of why people give. And so what's important in that... and we have clearly bought into this because Goodwill has built our strategy around this. Just since 2010 we have built 13 stores; we have moved three into bigger and better locations, remodeled two, just to make it most convenient for people to give to us. We have increased donations by opening those stores. It has generated more than 97 million dollars to our community. If this data wasn't accurate, and if convenience wasn't king, that strategy would have failed. But with one fell swoop, without decades of investment, this contract with an out of state company, has taken goods out of our community, money out of our community, and they have the competitive advantage because they are now the most convenient, and it specifically is counter to the RFP that says it will not compete with charitable donation centers. It clearly does. And, I would suggest that it competes with one of Austin Resource Recovery's Master Plan initiatives, where they talk about home grown prosperity. And if you read that side of home grown prosperity, this is directly lifted from Austin Resource Recovery's Master Plan, we are home grown prosperity. Not-for-profits – we exemplify this in every way, shape or form. Moreover, if you look at the next slide, the Demonstrated Sustainability, again, the virtues that Austin Resource Recovery talks about – People, Planet, Prosperity – we have a demonstrated track record of success here: 15,611 people served. We have over 60% of people with criminal backgrounds. A problem this community has addressed, we have a need for. We have opened the only adult high school, for a high school diploma, in the entire state of Texas, is here in our city, and we have had 205 graduates. People who never would have graduated before and are now earning, on average, \$8,000 more a year, having just graduated. That's an investment in our community. The Planet. We alone have collected 50,000 tons of donated goods. If we didn't exist, where would they be? Nineteen thousand tons of material is recycled and 83% zero waste. We are a zero waste organization; we have devoted ourselves to that, and we are at 83%. I would say that's a tremendous success. And we keep moving forward, and moving forward. We are one of the only organizations in the entire City that accept almost everything. The only things we don't accept are mattresses and hazardous materials; we accept everything else. And like I've said before, at a cost to us. So we accept TVs, those big TVs; we lost \$64,000 last year recycling those because we're that committed to zero waste. And then of course there's Prosperity. Those stores that we have, keeping the money in our community, has generated over \$2.5 million in sales tax, we have generated over 74,000 jobs, and the wages are 94 million. Again, that's all in our community. And that's a really important concept of this home grown prosperity, is we are doing all the things that you want done. Social services, zero waste, people. And I challenge you to think not of how these are all at odds with each other, but we can actually solve the problem here. We have the brain trust. Unfortunately, we're focused on now the threat of our donation stream from Simple Recycling. And that's not an empty threat. We increased donations by 18% more in the same 7 weeks of December and January last year versus this year while opening one store. This last November and December we invested in opening four new stores and spent an additional \$16,000 in advertising to mitigate Simple Recycling. When we found out they were coming we sent out mail, we did more advertising, yet we have 13,000 fewer donations. With all of that investment, 13,000 fewer donations. That's a value of over half a million dollars. The data is already there; we are seeing the effects. We don't need a six or nine month study to echo what we know to be true today. And this is just the beginning because we've been talking in the stakeholder meeting about, again, what is true today, but what we haven't talked about is that long term impact. What happens when they're an institutionalized competitor; they built their business and their footprint? And we just as a community can't afford for that to happen when we have all these things that we want to do to make this community great, and to thrive, and be the place that we're all proud of. Now with those fewer donations there's already less money for job training, education, child care, basic needs for people with disabilities, people with criminal backgrounds, people who are homeless, and people who are lacking education. And we are fully committed to serving people who are economically disadvantaged; people who we know can add vibrancy to this community. We are investing in the Mayor's

Regional Workforce Development Plan by building our current technical education program. We've been developing an innovative work reentry program so that people who are being released, or actually released early into a solid work program, and that way we can get them set in a job, training, case management, so they can be successful. And we've also looked at creating ideas for our stores to be used in mixed use developments that support the City's affordability issues, but with the decrease in resources all of these things are in jeopardy. We're going to have to make some really tough business decisions. And these are the unintended consequences. I know we didn't intend for any of this to happen. What I'm offering is a solution that we can fix this here.

And on the last, you know, I've got on these slides, these commodities recycled and such, but I think it's important that last one: The Lifecycle of a Donation, is we do take almost everything and we... it's important. We value and are so thankful for our donors when they give us, no matter what it is, that we believe to this community we must do everything with that. So, whether, we get it, we try to sell it in a store. If it doesn't sell in a store then it goes to our outlets. We have two outlets now. One down south, 124,000 square foot outlet, job help center, and recycling center. I invite you all to come visit it; it's tremendous. And we're doing all the work Simple Recycling, and we're doing it here in our own back yard. We just opened in December a 90,000 square foot facility in north Austin to do the same thing because the demand is so high and we are so committed to this. And in both of those places, the people we employ there, almost 300, 80% of those individuals have a criminal background. We're giving them an opportunity. But if it doesn't sell in the outlet it goes to the recycling center and at every point in the life of a donation we are extracting revenue and putting it into those job training programs here in our own city. And, like I said, I just keep coming back, I mean I understand we're looking at different options here but I just want you to think about how we can do both. You have this brain trust of home grown prosperity, all of these not-for-profits, you have a demonstrated track record. We've been doing what Simple Recycling has been doing, for a really long time. There's a reason they call Goodwill "the original recycler." And you're going to hear a little bit more about the business model from one of my colleagues, Mr. Heimstra, but I do want to say that Simple Recycling had 18 months of planning and conversation with ARR prior to the RFP being released and in just a short time the not-for-profits have collaborated, which has been an awesome experience and we've all come together on this issue. And while we don't have a master plan yet, we are all willing to immediately support the City and mitigate Simple Recycling's obligations in three different actions: Hire all Simple Recycling's staff equaling no job loss; acquire all their leased vehicles; and taking responsibility for the Grand Avenue property lease. That is taking all obligation off of the City so there should be no cost to the City if they were to cancel this contract. We're willing to absorb that. We're putting skin in the game and investing in our community. We also believe in partnerships and are willing not to just do that but we're willing to increase house calls; work together to host citywide donation and recycling drives; work more closely with schools; continue to launch a donation valet service at multifamily units; increase advertising; promote more donations and recycling; and develop a public education campaign. And all of those are things that if we're going to add some amendments, are things that I would urge the City to look at doing if they're going to be doing marketing campaigns, to make sure it's SMART goals to ensure that they are specific and that they're... that whatever we do has the least impact on the not-for-profit community. And so we'll accept the amendments but I do want you to really consider about the whole idea of letting us solve this problem and you don't have to choose. Thank you.

**Ora Houston:** Thank you. And thank you so much for coming back again today. I've got some questions regarding the amount of diversion that's happened in a month because half of the city hasn't even gotten their green bags yet from Simple Recycling and so I'm not sure... they're not up to speed. It took them 3 weeks to come pick up my bag that I put out on the sidewalk, so I'm not sure how you said they've already impacted the business. How do you know that?

**Traci Berry:** Well I know that nothing else has changed, and I know that in the stores that we have outside of Austin we've actually seen a growth in donations, and only Austin stores have not.

**Ora Houston:** Well you can see where there's confusion there, that's why I'm supporting the time to take a look at it over a long term, because if some parts of the city haven't even received the bags and it's taking them a long time pick them up, and that's between December 4<sup>th</sup> when I think I got my first bag and today. I'm not sure how you say it's... it could be something else. But I think we need to find out what the metrics are over a little longer term than a month. The other thing I wanted to ask is that, why didn't Goodwill bid on this contract?

**Traci Berry:** Well, we couldn't have bid on it because we would have been competing with all of our fellow... you know, it said "not to compete". There's that aspect. I think that we, to be fair, the RFP was only available – it was not a public RFP – it was only available to those it was sent to, and you had to be registered in the vendor system under specific commodity codes, and so a lot of not-for-profits didn't even get it. It went to the wrong people in our organization, but we would have struggled to have that conversation of whether we would do it or not, again because, you know, we believe in that... a lot of people think we all compete against each other, but we don't, and so I think we would have had to look, you know, long and hard if we were willing to take something on like that.

**Ora Houston:** Thank you. And Mayor, when we get to our staff I'd like to ask them because I saw a submittal, and most of the nonprofits were on that one, but I want to clarify that with the staff after this is over.

**Steve Adler:** That's good. Ms. Kitchen.

**Ann Kitchen:** I just wanted to ask, you put forth some pretty specific ideas...

**Traci Berry:** Yes ma'am.

**Ann Kitchen:** ... about how the City could perhaps partner with you and so my question is, was that with Goodwill or was that an idea for partnership with a group of nonprofits?

**Traci Berry:** All the things that I specifically talked about, marketing... no, it's for the entire not-for-profit community.

**Ann Kitchen:** Would you read those to me again.

**Traci Berry:** Yes ma'am. So one of them was a specific...

**Ann Kitchen:** You went through 5 or 6...

**Traci Berry:** I did, about increasing households, and not every...

**Ann Kitchen:** Well, the things you talked about absorbing the... you went through 5 or 6 things.

**Traci Berry:** Oh, we said that we would hire all Simple Recycling staff, that we would acquire all their leased vehicles and take responsibility for their current lease, it's a year lease that they have right now, and it's actually not far from our Goodwill facility that we just opened.

**Ann Kitchen:** And I think I heard you say that you would increase house calls, and that you would work on valet in multifamily. Is that right?

**Traci Berry:** Right. So we have been highlighting, we're in 8 different buildings, like The W and Brazos Street, to the idea of doorstep donations, again, making it as easy and convenient, and so looking at expanding that program. That is a Goodwill program, I'd love to see how we can do it; leverage other not-for-profits. I talked about citywide sponsored donation and recycling drives; same thing with schools, and developing – one of the biggest things – developing a public education program, and then also the advertising. And I think that's the thing, when I say "SMART goals" is very specific about the City donating resources because with the other problems in the six months, we can't afford to do nothing and so otherwise we're going to have to increase our advertising dollars significantly and that's money that would not go into services, so we would ask Council to make a specific investment in a marketing public education campaign.

**Ann Kitchen:** Well I have an amendment I'll pass out too, when we get to amendments we can talk about it. I think that I'm going to support the six months that we've been talking about but I've got some ideas of some things that can be done in between, and I'm particularly interested in making sure that we discuss ways to partner with the nonprofits, and I think you just laid out 4 or 5 ways that are worth conversation, because to me the question is not whether or not you're being harmed, I mean that's important, the question to me is, why aren't we partnering with you in the first place? I mean, that really is the concern for me.

**Steve Adler:** Ms. Alter.

**Alison Alter:** Thank you. Council Member Kitchen covered a lot of the ground that I wanted to cover, but what I do want to clarify is I'm kind of confused. What is it that Simple Recycling can recycle that you are not recycling?

**Traci Berry:** Nothing. Nothing. They're not doing anything we can't do.

**Alison Alter:** So it's really a matter of convenience for folks and whether that convenience is getting more things to the landfill.

**Traci Berry:** Correct. That's exactly it, thank you.

**Alison Alter:** I'm sort of uncomfortable with the six month time frame, I feel like that's too long. I also, I don't have an amendment written but we can try and draft it, but I'm wondering if there's a way to postpone extending this to other parts of the city where it hasn't already been extended to if we're worried about the implications of people getting used to it and that hasn't been rolled out yet, I'm wondering what kind of – and this may be a question for staff rather than Ms. Berry – but I'm wondering what we could do to hold off on extending it further at this point in time, and I don't know if staff would answer that now...

**Traci Berry:** We would be very appreciative of that.

**Steve Adler:** Let's just hold that because we may want to break just for a minute or two and meet in the back. But let's finish with the discussion of people. Anything else? Yes, Mayor Pro Tem.

**Kathie Tovo:** I think I'd like to understand more about the offer you talked about, which was to, as I understand, to take over Simple Recycling's lease at their cost.

**Traci Berry:** Correct.

**Kathie Tovo:** To bring on their employees, again, at the level they're currently being paid.

**Traci Berry:** Correct.

**Kathie Tovo:** And how about the trucks?

**Traci Berry:** At whatever their lease rates are, we would take them on. We don't want, you know, we understand that, we don't want the City... we were trying to find ways, again, to put skin in the game and not have it all be on the City, and we wanted to solve this problem and we needed to make a step of good faith, and that was what we thought we probably could do. We don't want anybody to lose their job. We don't want anyone to go out of... you know, we don't want to cause harm to people, but we are concerned about the people that we have to advocate for; the people we are serving.

**Kathie Tovo:** I understand that and that's, I think that's something I want to understand a little bit more about, maybe when we get to the point where the representative from Simple Recycling comes up. I know he's made a significant investment in the Austin contract and so absorbing his ongoing costs I think is certainly part of that equation. I guess we'll need to hear from him what costs, or what of his investment would not be recouped under this plan.

**Traci Berry:** And we looked specifically under the clauses of that, of obligation and had legal counsel look at it, so that we could... any obligations, as it's defined in the contract, that we could...

**Kathie Tovo:** I'm having a little trouble hearing you.

**Traci Berry:** Sorry, any obligations per the contract. Obligations, not necessarily expenses, but hard obligations and that would be what the City, our legal counsel said, would be liable for, and we didn't want the City to have any potential liability... we didn't want to open you guys up for anything for helping solve this problem.

**Kathie Tovo:** Thank you. I appreciate your approach to responding to this issue.

**Steve Adler:** Okay. Anything else before we go to the next speaker? Thank you very much.

**Traci Berry:** Thank you.

**Steve Adler:** Mark Hiemstra, and Gus Pena is on deck and next up.

**Mark Hiemstra:** Good afternoon Mr. Mayor, Council members, appreciate the time that I get to speak about the issue. I am Mark Hiemstra, I'm the... I serve the community as a Chief Operating Officer and live in District 10. I wanted to share our organization's concerns related to the agreement signed by Simple Recycling by the

City's Resource and Recovery division. At the previous Council meeting we were charged with making a genuine effort to find ways to resolve concerns and work with Adam Winfield of Simple Recycling. We gathered the not-for-profits that were represented at the last meeting and worked to identify each organization's working models to easier understand capabilities, restrictions and their financial positions. We also worked through the model for Adam's, Adam Winfield's and Simple Recycling, based on available information. We did this to understand where there may be opportunities to overlap in addition to setting realistic expectations for what Adam and Simple Recycling may be capable of doing. We quickly agreed as a group, there was little margin in Simple Recycling's model that's been presented and the contract would not allow a mandate to Simple Recycling that would mitigate any loss for those nonprofits that were represented, not to mention those that weren't represented, in the meeting. I also want to comment, when Miss Berry presented in the slide the People... or the Planet, People, Prosperity, that was just for 2016, that's not in the existence of the organization. So, if you compare those numbers of what we've been able to divert as an organization compared to what is actually hitting the landfill, those are even more impressive numbers, as stated. In the group meeting, when we identified an opportunity to purchase... one of the opportunities that we identified if we were to work with Simple Recycling, was the possibility of just purchasing the donations outright from Simple Recycling. We later were informed that the cost of these donations from Simple Recycling would be 56 cents per pound. So, do the quick math here. In December, Simple Recycling collected 60 tons, paid the City of Austin \$20 per ton, totaling a payment to the City of \$1,200. In the not-for-profits... if the not-for-profits were to purchase these donations it would come at a cost to them of \$67,200. Goodwill Central Texas has multiple sources where we're able to purchase similar product at 29 cents a pound, so we didn't feel that that was necessarily a viable business platform for us or the other nonprofits that don't currently pay for donations. Organizations like Austin Assistance League that spoke earlier, their charters restrict them from purchasing donations, so they wouldn't even be eligible to purchase the donations if the money was available to make those purchases. As we continue to understand the Simple Recycling model, we found the following, and most of the information was available on the Secretary of State website. We know, that in fact, I have ...

**Steve Adler:** Is Chris Padlock here, and, is Donny [unclear] here? You have six more minutes.

**Mark Hiemstra:** Thank you. We understand, and it's fact, that Adam Winfield is the President of Simple Recycling. We also understand that Adam Winfield signed the lease for his facility in north Austin, to process these goods, as Vice-president of Mercantile Thrift Stores, Incorporated, not under Simple Recycling, as mandated by the City. This would also then indicate that Simple Recycling does not have a legal presence in the City of Austin, at this point in time. Simple Recycling is a DBA doing business as, under the premise of, or business titled Great Lakes Recycling, that's as indicated on the original contract with the City. Great Lakes Recycling was registered for a business in the State of Texas by a gentlemen named Stewart Sotulo. Stewart Sotulo is also an officer of Mercantile Thrift Stores, Incorporated. Mercantile Thrift Stores operates the Purple Heart Thrift Stores as indicated in the 1978 filing with the State of Texas. Mercantile Thrift Stores, Incorporated has connections to Donate Stuff and Value Village Thrift Stores. We don't have those here in Austin. All for-profit entities outside the city. Purple Heart Found... Purple Heart Charity is an F-rated charity, that this is part of their business model. Also, we know that Mercantile Thrift Stores, Inc. Purple Heart, Simple Recycling and Donate Stuff all have connections to an address in Houston, 6116 Milwee Street, Houston, all operating out of the same address. Simple Recycling maintains a similar relationship in Solon, Ohio, and other possibly other areas of the country, we're not able to identify that in a short period of time. We don't know exactly how the product collected here in Austin by Simple Recycling flows through this complex system of for-profit organizations but the facts I shared don't appear to be consistent with the uncomplicated presentation provided at our last Council meeting where we were left with the impression Simple Recycling was just a recycling business. Instead, it appears, Simple Recycling may serve Mercantile Thrift, Purple Heart, Value Village as a material acquisition pipeline with the donations acquired at our doorstep here in Austin. On the current collection trajectory Simple Recycling is on, they will only reduce the stated total of 3,300 tons by 20% in 2017. There have been comments related to why the opposed parties, including the nonprofits, have not addressed this sooner on behalf of the City's zero waste efforts. I would contend that we have been collectively as a nonprofit group, laser focused on increasing and improving upon the social services this community requires. With this decision to bring in Simple Recycling, we have heard loudly and clearly that we must pivot and balance this focus with the environmental aspects of our responsibilities to this community, and we will. There have been reference points Simple Recycling has provided where their service does not impact other communities. I would contest that other communities do not depend upon not-for-profit services, nor have the second-hand thrift presence of Austin. This is what makes Austin weird, supportive, different, and helps drive

the economic engine that continues to help Austin be Austin. There is threat to our communities' not-for-profit organizations and the benefit to this has been, we've unified as a group. Organizations, as Goodwill, have realized that we will be stronger together than we currently are apart and competing against each other for these donations. We believe that as a collective unit we will outpace and outperform the previously stated trajectory Simple Recycling is on. We also know that with the Council's support we can maximize the value of these goods for the benefit of the community without additional cost and would not require any sort of legal document with the City to commit our services, though you would receive a plan. We understand the potential ramifications of exercising the clause in the current contract, and it is part of the contract, there is a clause, that allows the City to provide 45 days' notice to cancel, and agree that removing one pound of this product from the landfill is beneficial, and I think we're all aligned on that as a city and as people that have spoken. However, please understand that by reducing any one of these not-for-profits by \$1 you will alter our current efforts and negatively impact your social service agenda moving forward. Because of this agreement our not-for-profit organizations have been asked by the City of Austin to validate our concerns. In doing so, we have shared information that potentially is detrimental to our models with relation to the for-profit competitor that's been invited in. We've been exposed. We formally request, at this time, that the Council consider cancelling the agreement but understand that we would appreciate the opportunity to prove over the course of the next several months, or what is decided by the Council, to provide more information if what was provided hasn't been compelling enough. We want to work with the City and Austin Resource Recovery to improve upon an already impressive zero waste goal. Does anyone have any questions, or anything of interest?

**Steve Adler:** Mayor Pro Tem?

**Kathie Tovo:** Would you mind telling us the name of those operations again? I didn't quite capture all of them.

**Mark Hiemstra:** Sure.

**Kathie Tovo:** I think it was Mercantile ...and, if you've got this in a form where you can just send it to us, email it to us ...

**Mark Hiemstra:** Certainly.

**Kathie Tovo:** ...pretty quickly, I was interested in doing just a little research ...

**Mark Hiemstra:** Certainly. So, we're looking at Great Lakes Recycling is the company in which Simple Recycling is doing business as, under. We look at Mercantile Thrift Stores, Incorporated, Purple Heart Thrift Shop, I believe was the name. And then when we did an aerial view of the site at Milwee, they had Donate Stuff trucks in their yard, and there's also, if you do some searching, you can see where there's connections to Value Village.

**Kathie Tovo:** Value Village?

**Mark Hiemstra:** Value Village, it's a for-profit thrift store.

**Kathie Tovo:** Thank you. And Donate Stuff, was that donatestuff.com or just donate?

**Mark Hiemstra:** That's how you get on and then and you'll click on, you'll make, schedule a house call, and then you'll see it in the top right hand corner where the service that's provided in Houston, is through Purple Heart Charities.

**Kathie Tovo:** Thank you very much.

**Mark Hiemstra:** Thank you.

**Steve Adler:** Okay, Gus Pena, please.

**Mark Hiemstra:** Thank you.

**Steve Adler:** Adam Winfield is on deck.

**Gus Pena:** Good afternoon Mayor and Council members. Gus Pena, 2327 E. Fifth Street was where I grew up. Do y'all know that there was a landfill at Zilker Park, on the north side of it? Do y'all remember, any of y'all, any of y'all? Natives? Pio? I didn't ask you if you knew not a lot of landfills, but there was one. When dad had a good job with the Heinz Company as field-farm labor representative, and trucked east Austinites from San

Antonio, wherever, to Heinz Company working in the canneries. He had a good job. His first heart attack, diabetes, and other ailments debilitated him from providing for us. Well, anyway, he was a good provider but he was disabled. We had to go, we went to a few landfills to get clothes and bottles to sell, and that was part of our income. Okay? But I support Salvation Army because I remember as a kid, we received assistance from Salvation Army, not only at Christmas time, toys, food, whatever, but if we needed help, they were there for us. And, having said that, I know about being very poor. I know about being very poor and serving in the military, and the military sometimes doesn't help us, so I'm supportive of not only Salvation Army, but the Assistance League who has helped many people that I know of, many, many people and children with new clothes, assistance, whatever. I don't know the parameters of a six-month time frame, but I'll leave it up to the experts, but I want to support and really again, recognize the young men and women that are homeless and really got to transition out of homelessness. That is exactly what we're talking about. Single women and children with our kids, with kids that are homeless, and they're building a new housing for them, and I applaud that, whoever started it all. So, but there's a lot to do in the community. You hear hurt, you hear poverty, you hear people making fun of you because you go... used to pick up bottles and used clothing, but that's how we survived. So what I'm saying is this, support the nonprofits. Kathy Riding from Salvation Army, a good friend of mine, she's helped a whole lot and they really need our help. They need our assistance, as much as we can do it. I'm gonna leave the six-month deal up to y'all, but I just wanted to let y'all know even our veterans that are homeless receive help from Salvation Army other nonprofits that deserve... and then I heard a horror story about somewhere in Round Rock they benefit from the things that Austin residents throw away. So, let's go ahead and make a more concerted effort to support these organizations. And, again, I'll leave up the decisions to the nonprofits, but I support them. I love my single women with children, I'll help them. Anyway, thank you.

**Steve Adler:** Thank you. Adam Winfield?

**Adam Winfield:** So while we bring up the presentation, I'd just like to address the question in that sort of convoluted, cloak and dagger sort of scenario that was brought up by all these multiple companies. So, I'm a small business man. The City of Austin is the biggest contract that we have. I put everything on the line for this opportunity. I took a mortgage out on my house to pay for the bags and the mailers to go out. Small business is built on partnerships. There has been no question about our process in what we do with the material that we collect. We seek highest and best use with partnerships, with domestic resale shops, international resale and traditional recycling. So Mercantile Thrift is a partner; it has been a long time partner. I couldn't get the credit to rent a warehouse without them backing this. So there's not this convoluted, you know, profiteering, masking of things. It's simply a small business that's doing whatever it can to create the partnerships that it can, to execute a business model that's going to benefit the residents of Austin and benefit the environment. So I'm happy to answer any more questions but I'd like to continue with my six minutes. So I started this program as an environmental entrepreneur. There's a noted problem with the amount of material going in the residential trash cans across America and in Austin. I developed a solution and a model that captures that material. The intention and the result that we've found in our experience is that this material that we're collecting is coming out of the waste stream and not out of the donation stream. All of these organizations that are up here today, I support 100 percent. I agree that if all of that material was going to those organizations there would be no place for us; but it's not, it's going in the trash can and ending up in the landfill and offering a convenient alternative to throwing it in the landfill as a last resort is why we exist. So, obviously there's concerns. There's concerns, there's questions, from all of these organizations, and I understand their fear. I appreciate the Council's position and taking the opportunity to gather data and to gather information. I request that as this information gathering process occurs, it's reviewed, and requires transparency by all of these organizations, and also has some sort of validation of the factors that are considered. So we have operated and continue to grow. We operate in over 50 communities. This is the first time that we've ever had such an outcry from these organizations that exist on a national and a local level. So after that stakeholder meeting last week we came to the table and we're trying to do everything we can to inform the residents that they have all these options. That's great, we want them to do that, but there's still a segment of the residential population that isn't going to take any additional effort; they're going to throw it in the trash, and we're that alternative. So we've committed, our commitment is to work with Austin Resource Recovery and all of these nonprofits to fully understand the impact of our program. We've committed that we will help create and distribute information promoting all clothing and waste diversion options. We will put our money where our mouth is and we will distribute this information for the nonprofits. An additional commitment is Amplify Austin on March 2<sup>nd</sup> and 3<sup>rd</sup>. It's a great program, we support it. We will commit that we will donate 100% of everything we collect in Austin during the Amplify Austin program to the local nonprofit organizations. There's a huge opportunity that's not being

addressed. All of the multifamily units in Austin still don't have a convenient solution. These organizations talk about the local "brain trust" and they can all come together to provide a solution. There's a huge opportunity in these multifamily units that Simple Recycling doesn't address, and all of these organizations don't address, on a citywide level. So we'll offer our expertise to help these nonprofits and help ARR come up with a solution for a problem that exists that nobody's addressing. In addition to that we'll work to develop local, Austin-based partnerships with for-profit and nonprofit recycling groups. That is our process, that's what we're committed to, but in order to take on a massive undertaking like the City of Austin and provide a program like this, we needed to have certain assurances and certain pieces in place to ensure that we can provide a high level of service and continue to offer this program at no cost. We believe that we were fairly selected in a public RFP process and we have great results. We have great results everywhere that we have operated for a number of years. We've operated primarily in northern Ohio and southeast Michigan at scale, at a scale comparable to the coverage we have in Austin, since late 2014. I want to share some data with you that validates when I say we are not here to negatively impact the charitable organizations. We went and took the federal tax filing, public information from the past five years from organizations like Goodwill of Southeast Michigan, Goodwill of Northeast Ohio, that represent large organizations. We also took the national council of Jewish Women, that represent small, single thrift store donation operations. What you can see here in this graph is that they've continued to flourish, grow and prosper. Their total revenue over time is at an all-time high, and Simple Recycling has penetration across these markets. Residents continue to support these organizations and bringing exposure and conversation to what are all of the options that residents can have takes the material out of the waste stream and creates opportunities for everybody. I'm happy to answer any questions.

**Kathie Tovo:** I do, I think I need that last slide back though, if I could. One question about the data here. Are the revenues that you've indicated here all from thrift stores? Or is it other kinds of donations as well?

**Adam Winfield:** So these are the total revenue for each of these organizations reported as their annual total revenue. I have all the supporting documentation that breaks down the detail, and I'm happy to provide that, but the primary concern that all of these organizations have expressed, as I understand it, is that "this is going to dramatically negatively impact our revenue stream" that provides funding for the great services that they do. This information provides factual, independent financial data that shows that these organizations continue to thrive even when Simple Recycling is offered.

**Kathie Tovo:** Okay, but it includes other kinds of donations, not just donations through their, I mean, it includes...

**Adam Winfield:** Yeah, so they don't all...

**Kathie Tovo :** I mean they suddenly... they may have supplemented it by doing to galas, and doing more events to supplement their...

**Adam Winfield:** Sure, so it doesn't provide the specific detail in the reporting of... it doesn't report that level of detail, I don't have access to it. The only access that I have is the publicly filed.

**Kathie Tovo:** Right, I gotcha, thanks, and I think this is really useful. I guess the reason I'm asking that question is because while the drop in donations... I hear the concern about it impacting the programs and I certainly share that concern. You know to me, it's also important to continue to support what is really a thriving culture of reuse here in Austin, and so, you know, even if some of those donations are made up through other means, it doesn't necessarily help support this reuse economy that I think is really so prevalent here in Austin. I go to other places, including one [unclear]. You know there are communities that don't have dozens of thrift stores in their areas and it's really challenging for people to find places to donate and it's challenging for people who would like to buy second hand clothing or second hand appliances to find those more economical choices, so, for me it's important not just from the revenue perspective but also the goods perspective and making sure those stay available.

**Adam Winfield:** Absolutely. And the revenue is the driver for all of these social services and Austin may have more, you know, local thrift stores and donation options and I think, I think that that's great, but there still is six and a half million pounds of clothing going into the waste stream and into the landfill, and that's what our intention is to divert. I think we make decisions off of the data we have available and I think given the opportunity to take a six month look I think we're going to see that these organizations continue to see success and increased revenue. And that given the opportunity to understand what's driving that revenue and what

those factors are that are impacting donations and revenue are looked at thoroughly. Because the statistic of Goodwill saying that they lost 13,000 donations in the month of January, and that the only thing that's changed is Simple Recycling, saying that Simple Recycling has taken those donations, well Simple Recycling has had just over 4,000 people participate in the program in January. So there's got to be something else going on. We haven't taken 13,000 donations because we haven't had 13,000 residents participate in the program. So, I just want to make sure that there's transparency and understanding as we collect this data going forward because there seems to be some confusion.

**Kathie Tovo:** I have a couple of other questions for you. Can you help me understand what you do with the bags? So you have plastic bags, as I understand it, and you send the plastic bags down to Houston and then they come back to ARR. Do you reuse them and put them out for future donations? I ask this because you know we have banned bags here in Austin and several people have said, why are we doing collections through bags?

**Adam Winfield:** Right. So let me just first establish why we use plastic bags. So seeking highest and best use for clothing is a focus on reuse first; finding reuse markets. So in order for that material to be reused and repurposed it needs to remain clean and dry. So for the program to be cost free for the City and cost free for the residents, the only economical option is a plastic bag with a drawstring. The bags that we use are made with recycled content; they cost more than virgin material bags but it's our commitment to the environment to use bags made with recycled content. In addition, when that material is sorted and those bags are torn open, all of those bags are baled, aggregated and taken back to Austin Resource Recovery for recycling. So it is a closed loop in terms of the plastic bag usage.

**Kathie Tovo:** So the bags can't be reused but you are recycling... you're using bags with recycled content and then you're recycling the plastic, but you can't reuse the bags once you've...

**Adam Winfield:** Correct, they're single use bags, and reusable bags are very expensive and to distribute them to the whole city at no cost, when you know you only have a small portion of the city participating, because a lot of the residents are using those local donation options, it just... to maintain a cost-free program, it's the only option.

**Kathie Tovo:** I understand that from, you know, from a business perspective. Let me say as a Council member, who is sometimes asked to talk about that policy of discouraging single use bags, it makes me a little uncomfortable that we've entered into a contract that relies on single use bags. But I certainly appreciate, you know, from your perspective, that was the option that made the best sense. I have two more questions and I'll try to make them fast. I'm sure my colleagues have questions for you. So, with regard to those organizations... the for-profit thrift stores, those are the ones that you partner with to sell the goods. Does your company also have investments in those, or those...

**Adam Winfield:** No.

**Kathie Tovo:** ...those are your distributors, those are the ones that you're selling...

**Adam Winfield:** So we have partnerships, but there's no shared ownership.

**Kathie Tovo:** Thank you. And, what was my last question? Ah. Earlier we had a representative from Goodwill talking about their interest, willingness, to purchase your lease, take on your lease, the lease of your vehicles, and the other, some of the other costs that you've incurred. Would that be of interest to you? And if you could respond to that, if you feel comfortable responding to that.

**Adam Winfield:** Sure, so my initial concern and thought with that is, that comes into play when this service is removed from the residents. My being, everything that I've done, is to offer a convenient alternative to throwing this material in the trash, and in order for that to happen, our service needs to be taken away and this material is committed to going in the trash can; it's removing a curbside service. And while I appreciate that offer from Goodwill, our expenditures and our investments to establish a new program extend well beyond leasing of a truck, leasing of a warehouse and hiring employees.

**Kathie Tovo:** Thanks very much for your candor and the information that you've offered.

**Steve Adler:** Any questions before we go back?

**Sabino Renteria:** I just wanted to ask, what has been... I know that y'all met. What kind of, what's some of the things that was discussed at your meeting? Can you give us just a brief overview of what the problems, I mean, what kind of discussions that y'all had?

**Adam Winfield:** In the stakeholder meeting?

**Sabino Renteria:** Yes.

**Adam Winfield:** So, while I appreciate everybody's time and participation in the stakeholder meetings, I think that there's a... we're in a difficult situation because there is a panic from the organizations that this is going to dramatically negatively impact their revenue stream, and they're concerned about the services that they provide to the City and to the residents of Austin. And I get that. But all of our experience, at this point, in the years that we've been operating is that residents continue to recognize the good that these organizations are doing in the community. They continue to support these organizations and continue to donate their clothing in the community. So while I talked about my commitments and what I would like to do to help the nonprofits and address additional problems and situations in terms of multifamily collection, in terms of educating residents about all donation options... at the end of the meeting the consensus amongst all of those groups was that they were not interested in proceeding in that direction, that their concern was strictly on not collecting the information and cancelling the contract immediately.

**Sabino Renteria:** Have they, has any other groups shown you any kind of data about how it is effecting them like this?

**Adam Winfield:** Yes, so it's anecdotal information. Right? So, when we've been operating in marketplaces, we cross paths. Right? We are collecting similar types of material. The difference is, I'm collecting material through a recycling program that's destined for the landfill, and these organizations have a benevolent donation-based model, but it's similar material, and our paths cross. What we've found is that, what you see on that graph has proven true, that these organizations continue flourish, continue to grow, continue to, in some cases, even increase their donations because of conversations like this. We've brought more exposure to what to do with that clothing you no longer want or need in your closet, through these conversations, than I think the City has brought a similar amount of attention in any previous case. So, I think having these conversations and bringing this attention is very valuable. I think that all of these organizations are going to benefit from this. I think our path forward in terms of educating the residents about all of the options will benefit all of these organizations. I hope that the residents see all of these gentlemen from Salvation Army and come out and support them. Right? This gives them a platform to get their message out, and I'm proud of that. And I think that all of these organizations are going to continue to flourish in Austin while Simple Recycling fulfills its commitments, and its contracted commitments, to provide a curbside alternative to throwing this material in the trash.

**Sabino Renteria:** Thank you. I have some other questions but they're for the staff members.

**Steve Adler:** Okay. Mr. Flannigan.

**Jimmy Flannigan:** Thank you. So, I had some conversations with staff about the list of addresses that you were using, and apparently there's a discrepancy that the list that you're serving doesn't match up to the list that they think you should be serving. And so I think Council Member Houston brought that up, about maybe not all parts of the city are getting service right now. And I think that's an interesting thought process around how we move through this, if we go into this six month, is it now somewhat of a modified pilot program because you're not currently serving the entire city and maybe that's a way that we can mitigate at least some of the impact. And then I also had a constituent who unfortunately was signed up to speak and didn't get to speak, that was also concerned about the plastic bags like Council Member Tovo mentioned, and that she had experienced in her neighborhood, which is a little more hilly, that the bags were being washed away, and into the storm drains, and so I don't necessarily expect you to have an answer for that, but it's another concern that I have about the program.

**Adam Winfield:** So in terms of the discrepancy in the list, we provided launch materials and education to every address that Austin Resource Recovery provided us with. We're happy to review if there was a miss there. And in terms of errant bags, replacement bags, our policy is to secure that bag in some fashion, whether it be to tie it to the handle of the recycling cart, or if that cart is not available to bring it to the front door, put it under the door mat, put it into the storm door, tie it around the handle; that's what our policy is. If we're finding that that's not occurring, simply let us know and we'll reinforce that messaging with our collection team.

**Steve Adler:** Okay. Council, I think it would be appropriate in response to some of the questions that have been asked, and I have some, to take a not very long...

**Ora Houston:** Could we ask our staff some questions before we go back?

**Steve Adler:** Sure. We can. Thank you.

**Adam Winfield:** Thank you.

**Sam Angoori:** Sam Angoori, Interim Director for Austin Resource Recovery.

**Ora Houston:** Thank you. Thank you for being here to help us understand all of this. There've been some, well first of all, can you tell me if the nonprofits that are here tonight, if any of those were notified that this RFP was out.

**Sam Angoori:** I have to check with our purchasing group, but...

**Ora Houston:** They're coming down, they're on their way.

**Sam Angoori:** Okay.

**James Scarboro:** Good afternoon Council Member Houston, James Scarboro, Purchasing. Your question was?

**Ora Houston:** The question was, on the initial submission were some of the nonprofits included on that listing?

**James Scarboro:** This particular item was the result of a request for proposals; it was issued last Spring in April and offers were due in May. We published the solicitation on the City's financial website and we also did active notifications to all entities who had registered with the City to receive notifications under a commodity code associated with recycling services. That resulted in 289 notices being sent to companies registered with the City, and further resulted in 23 subscribers, or individuals responding back to us saying that they wanted to continue to be updated about this solicitation. That notification process does not differentiate entities, whether they're a single individual, whether they're for-profit, not-for-profit, it just acknowledges companies or individuals who have contacted us stating that they wish to be notified. We notify everybody.

**Steve Adler:** Do you know if Salvation Army was on the list? And...

**Ora Houston:** Goodwill.

**Steve Adler:** ...Goodwill.

**James Scarboro:** It's a substantial list. I'm glad to provide a copy of it, but if you have a few minutes I can look through to see if they were on the list.

**Steve Adler:** I think her question is, are the people who are here, were they...

**James Scarboro:** I'm told that Goodwill was on the list.

**Traci Berry:** (from the audience) I said we were on the list.

**Ora Houston:** So Mr. Scarboro, did they have an opportunity to submit a proposal?

**James Scarboro:** All firms did, and all firms that were not notified had an opportunity to submit their proposals.

**Ora Houston:** So one of the things that I heard was something about competition. Is there something in our policies and procedures about people not competing, or was that something in the...?

**James Scarboro:** That would be a unique requirement to this solicitation.

**Ora Houston:** And that's in the solicitation now, that they could not compete with...

**Steve Adler:** So let's raise that as one of the questions we talk about in the back.

**Ora Houston:** Okay, we can do that in the back.

**Steve Adler:** Ms. Kitchen.

**Ann Kitchen:** I'm not sure who can answer this, I'm curious about the discussions that occurred before the RFP was issued. Can someone tell me whether there were any discussions with the nonprofits before the RFP was issued?

**Sam Angoori:** For this particular case, I don't believe there was a discussion with nonprofits, from what I understand. Now what I would also say that, and I've said it on Tuesday at our meeting with the nonprofits, this is, I believe, I really believe, that the reason it did not happen was because the City was going after that 3,300 tons that goes into trash, so that was the intent. The intent of this, as I also mentioned before, it wasn't really to hurt anybody or any businesses.

**Ann Kitchen:** Yeah, I understand that, I didn't mean to imply at all that there was any negative intent, just trying to understand to what extent there was stakeholder conversation prior to the RFP going out and now I'm understanding that didn't occur.

**Sam Angoori:** Right.

**Ann Kitchen:** Okay, thank you.

**Steve Adler:** Let's go ahead into closed session so that we can consider this Item Number 45 pursuant to section 551.071.

### **Continuation of Item 45 after closed session**

**Steve Adler:** That gets us to the last item on our dais which is the textile matter. We've had all the testifying; I'm trying to figure out where we were procedurally. Was there a motion that was actually made on this? You made your motion as I recall, you did.

**Kathie Tovo:** Okay.

**Steve Adler:** Have you seen this copy? Are you okay substituting this for yours? Okay. If there's no objection by Council, the maker of the original motion is willing to set that aside so that the pending motion would be what we just handed out to us. Is there any objection to that? That would be our point of departure. Mayor Pro-Tem?

**Kathie Tovo:** No. I don't have an objection, but I have a question. There was a draft that looked sort of like this from City Legal at break. Is this the same one or is it a different one?

**Ann Kitchen:** No. I can explain the difference, if you'd like for me to.

**Steve Adler:** Okay, so everybody should probably put a star or something on the draft that just got handed to them so that they don't confuse it with something they may have gotten earlier.

**Ann Kitchen:** Can I speak to the ...

**Steve Adler:** Okay, so, this is now the pending motion, the yellow page that we've all stuck a star on. Ms. Kitchen?

**Ann Kitchen:** To answer Mayor Pro Tem's question, what this does is it... I think it captured all the discussion that we had earlier, but what I did is I worked with the Legal staff to make it clear that the language that we were proposing, that I was proposing, is incorporated. So, if you look at, the difference is, if you look at the first 'Be it Resolved', that is the difference in what you had and what you looked at, at the break. So, it says now 'The City Manager is directed to investigate options for amending the contract between City and Simple Recycling, transferring service, changing the scope of work or terminating the contract and will report to Council within 30 days from the date of this Resolution on results of that investigation'. 'The City Manager shall conduct stakeholder meetings that include City staff, industry stakeholders and Simple Recycling to develop possible recommendations'. So this is the... this was not captured in what our Legal staff had worked on earlier and it captures what I had put out earlier as a potential amendment which simply says that within that first 30 days that there'll be an effort to investigate options. Does that makes sense, Mayor?

**Steve Adler:** It does.

**Ora Houston:** Mayor, could we put that up so people out there who hear about this can see what it says?

**Steve Adler:** What does the second 'Resolve' do?

**Ann Kitchen:** The second 'Be it Resolved' is, captures what the Mayor Pro Tem had proposed earlier, in terms of gathering... I think it was the Mayor Pro Tem's... in terms of gathering data and researching the potential impact on nonprofits and that the data would be reported to us monthly.

**Steve Adler:** Okay.

**Ann Kitchen:** That's what the second 'Be it Resolved' is.

**Steve Adler:** Okay. The third 'Be it Resolved'...

**Ann Kitchen:** The third 'Be it Resolved', let's see, that has to do with working with the nonprofits on other ways to increase reuse and resale of household items and textiles. So it captures our thought about continuing to work with the nonprofits on our goal.

**Steve Adler:** And the fourth 'Be it Resolved' on page three?

**Ann Kitchen:** The fourth one is to come back to us within six months.

**Steve Adler:** Okay.

**Ann Kitchen:** Or at least within six months.

**Steve Adler:** And the last 'Be it Resolved' clause?

**Ann Kitchen:** The last one was, oh that's the one that the Mayor Pro Tem had brought forward about informing the Austin Resource Recovery customers about the various things - that Simple Recycling's a for-profit company and encouraging customers to donate first to the nonprofits.

**Steve Adler:** Thank you. Does this, does this capture collecting the data on the actual collections themselves and...

**Ann Kitchen:** Yes, that's supposed to be in... that's supposed to be covered by the second 'Be it Resolved'.

**Steve Adler:** But is that the one that speaks to nonprofit organizations?

**Ann Kitchen:** Yes, it's 'directed to gather data from all stakeholders on textile collections and research the potential impact to nonprofit organizations'.

**Steve Adler:** And I agree, I think that's a real important thing and I support that, but I'm trying to figure out, do we need a separate one that speaks to the resource recovery goals that we had? We were also going to be...

**Ann Kitchen:** Oh, I don't know.

**Steve Adler:** ...getting the data for those, part of it was to make sure that we were doing the... there was some question about... would you come up for a second? Wasn't there some question about getting that kind of data?

**Ann Kitchen:** Well, it does say on textile collections. Maybe you want to be more specific than that.

**Andrew Dobbs:** This is Andrew Dobbs, Texas Campaign for the Environment. I don't know exactly what you're referring to.

**Steve Adler:** I see, I see it. Never mind.

**Andrew Dobbs:** Okay.

**Steve Adler:** Thanks. It's 'all data from stakeholders on textile collections and also data and research on potential impact to nonprofit organizations.'

**Ann Kitchen:** Right. So, it's supposed to be broadly stated.

**Steve Adler:** There was also the thought of not only of the impact on nonprofit organizations, but the impact on the community, which is a concern they had, that they stated.

**Ann Kitchen:** Okay, I'm not sure if that got in there. Let's see...

**Steve Adler:** Okay. We could just say 'potential impact to nonprofit organizations in the community.'

**Ann Kitchen:** Yeah, you could do that.

**Steve Adler:** And then it covers globally what that was...

**Ann Kitchen:** You can just add it into the first sentence.

**Steve Adler:** That's what I did. 'Nonprofit organizations and the community.' Further discussion? Ms. Troxclair?

**Ellen Troxclair:** On the last 'Resolved' clause I would like to suggest a change so that it reads 'Concurrently the City Manager is directed to develop and implement a public awareness campaign within thirty days to inform Austin Resource Recovery customers', etcetera, etcetera, etcetera. Basically strike 'if possible' and insert 'a public awareness campaign within thirty days.'

**Ora Houston:** Could you say that again and where, again?

**Ellen Troxclair:** So in the first sentence, under the last 'Be it Further Resolved' clause, I'm gonna strike 'if possible' and add 'public awareness campaign within thirty days' so that it reads 'Concurrently, the City Manager is directed to develop and implement a public awareness campaign within thirty days to inform Austin Resource Recovery customers'. And, for a couple reasons, the first is because everything else in here pretty much has a time frame on it, so I didn't want to leave this hanging and maybe not start this 'til the end of the six months. I want to make sure that public awareness campaign is started immediately, and just striking 'if possible' so that we insure that it happens. I think that it can be done pretty easily within our existing programs, to make sure people know, too, that there are nonprofits out there and that they should be donating to them first before using their recycling bag.

**Steve Adler:** Is this something that staff thinks they can do in thirty days?

**Sam Angoori:** Interim Director, Austin Resource Recovery. I also have Jessica King here. I really would like to have a little bit more time to work on the program. I don't know if we can do it in thirty days.

**Jessica King:** Council members, perhaps just to... we can do certain things in the thirty days. So, what that means is when you're developing ads, when you're purchasing ads, that takes some time. So, that could take a little bit longer, but what we can do very quickly is get our block leaders on the ground, we can make some changes to our website, promote through Facebook and other social media. So, when we talk about marketing campaigns, we can start there, and then broaden as we go. But I want to just make sure that we are meeting expectations before we go there. And if that is, if you're amenable to that approach, kind of a grassroots first, and then broaden, from there we can accommodate the thirty days.

**Steve Adler:** So we could say 'is directed to develop and begin to implement within thirty days, a public awareness campaign to'. Does that work for you Ms. Troxclair?

**Ellen Troxclair:** Yes.

**Steve Adler:** Is there any objection to that amendment being made to the "Be it Resolved" clause? Okay, so that one's now incorporated. Yes, Mayor Pro Tem?

**Kathie Tovo:** I would say that was consistent with the original language which really wanted you to get started on that, so I appreciate that amendment Council Member Troxclair. The language in the original also, this is gonna sound overly something, but we really do need commas in that last sentence as it was in the original so that it says 'and' comma 'as appropriate' comma otherwise it's almost impossible to figure out what that last sentence really means. So, I would just put those commas back in there. One of the things though, that did get dropped from my amendment sheet to here, and I understand, I mean I think I probably understand the reasons why though I'd like to hear from the staff. The language had said 'The City Manager is encouraged to work with Simple Recycling to communicate these messages and as appropriate and reasonable should

deploy City resources' and it offered a few examples, and I really... if we don't... if there are reasons why they shouldn't be in this Resolution because it's too prescriptive, I would just ask our City staff to... it sounded to me like Simple Recycling was willing to provide those notices, and so I would, I would accept that partnership and ask them to do that, and that was... some of the language captured that. I also think, you know, I'd like to encourage you to use the utility bill inserts and ATXN, and you know, some of the other means we've specified here, so in the original amendment. Is there any reason why those were removed from the language as it moved over to the Resolution draft?

**Cindy Crosby:** Mayor and Council, Mayor Pro Tem. This is Cindy Crosby with the Law Department and what we can... there was no particular reason. I wasn't sure that last paragraph which specified ATXN and all of that was included in the language, but we could certainly add that perhaps to the first 'Be it Resolved' where we discussed the coordination between the City and Simple Recycling and take the language from your previous motion sheet and maybe add there, that they'll help with the advertising and then specify the different methods later in the Resolution?

**Kathie Tovo:** Either place is fine with me as long as... and it's also fine with me just to provide intent from the dais. One is really about asking Simple Recycling to be a partner, the other is really, the other piece that I think, I mean I know in a way this has kind of provided us with a good opportunity to talk with Austin Resource Recovery about encouraging, you know, our customers to donate more to our local nonprofits, and so this was not just about kind of asking for Simple Recycling to pick up a part of that but also asking Austin Resource Recovery to target your efforts toward getting customers to donate. So, one seems to be handled in one piece of the Resolution, and one in the other, and it makes no difference to me where we put this additional language or if we just talk about it here today and have that be the understanding and leave it out altogether. Either way is fine.

**Steve Adler:** Ms. Kitchen.

**Ann Kitchen:** I wouldn't want to put it in the first 'Be it Resolved'. I don't think it fits there, but other than that, I don't have a preference whether you want to put it in the last one, or just give direction from the dais.

**Steve Adler:** If it doesn't go in, please consider that direction from the dais. Yes, Mr. Flannigan, whichever you want.

**Jimmy Flannigan:** I'm not sure, I've kind of lost track who's making the motions and the amendments and resolutions, but ...

**Steve Adler:** Well, at this point, at this point, we're working up the base Resolution. We've made two changes to it, three probably. The first change that we made ...

**Jimmy Flannigan:** You don't have to go through it, I just have a question. The first 'Be it Resolved' talks about going through the process and investigating options for contract amendments, etcetera, reporting in thirty days. Then we talk about data every thirty days. Then we talk about report back in 180 days. So, how does the first thirty days on contract amendment... or, don't we need the data to really understand the first thirty days requirement?

**Ann Kitchen:** Not necessarily. I think that these different time periods kind of could work together. I mean the backstop is the 180 days.

**Jimmy Flannigan:** Sure.

**Ann Kitchen:** But with the first one, maybe they'll come to some kind of conclusion in thirty days and maybe they won't. They'll report back regardless, because it just says to investigate options, okay, and report back to us within thirty days.

**Jimmy Flannigan:** So there might be some resolution data, regardless of data ...

**Ann Kitchen:** Right.

**Jimmy Flannigan:** ...that the stakeholders might come to ...

**Ann Kitchen:** That's right.

**Jimmy Flannigan:** ...within thirty days ...

**Ann Kitchen:** That's right.

**Jimmy Flannigan:** So let's investigate that while we collect the first month's worth of data.

**Ann Kitchen:** That's right.

**Jimmy Flannigan:** Okay.

**Steve Adler:** Mayor Pro Tem.

**Kathie Tovo:** Upon reflection, I would like to make that language addition to the last 'Be it Further Resolved' and so that language is what's captured on my motion sheet right here, and it just reads, 'The City Manager is encouraged to work with Simple Recycling to communicate these messages and, as appropriate and reasonable, should deploy City resources such as ATXN, utility bill inserts and other communication methods'.

**Steve Adler:** The language again ... I'm sorry, Mayor Pro Tem? 'The City Manager' ... oh, I see the section. Okay, is there any objection to adding that language to the last 'Resolved' clause? Hearing none, that one is added as well. So, Ms. Alter?

**Alison Alter:** I have a question for staff or for Simple Recycling. I still am trying to understand, has this program been fully rolled out to the whole city or just to portions of the city?

**Jessica King:** I'm sorry Council, Jessica King, Austin Resource Recovery. I apologize I didn't introduce myself earlier. So, we do have to do a quality check on the address list that was given to Simple Recycling, in comparison to the address list that is utilized. Oftentimes, what we find, too, is that when we pull those lists from our billing system, which is a very controlled system, it doesn't always update with new customers that might have come onboard as well, so there's always a gap in a period of time when the new customer is able to come on and be identified under the system. So, for example, if the list went out, I believe in November, meaning all our customers in... the quick answer is, it should have been rolled out to all of our customers. There could have been some mistakes in the addressing list that prevented us from being able to communicate correctly to the customer, to every single customer on our customer list. We will work to fix that, though.

**Alison Alter:** Thank you.

**Steve Adler:** Okay. We have the motion, it's been seconded, it's as was passed out by Ms. Kitchen, except that 'in community' is added in the second 'Resolved' clause, and the last 'Resolved' clause, language was changed to say 'The City Manager is directed to develop and begin to implement within thirty days a public awareness campaign to', and then you have one and two. We added commas before and after 'as appropriate' in what will be the ultimate sentence. And, the very last sentence has the language from the Mayor Pro Tem's sheet that said 'City Manager encouraged to work with Simple Recycling to communicate these measures and as appropriate and reasonable to employ resources of ATXN, utility inserts and other communication methods'. Any other changes or additions? Discussions? Then let's take a vote. Those in favor of this as amended, please raise your hands. Those opposed? Unanimous on the dais.

That, I think, concludes all of our business. We can adjourn this meeting well prior to 9 o'clock. The meeting is adjourned.