

SWMD Structure Sub-Committee Summary

January 24, 2013 | 10:00am – 2:30pm | CCAO Offices (209 E. State St, Columbus, OH 43215)

Note: This summary was approved by committee members at the January 31st meeting

This document is provided as a summary of the committee's proceedings and it not intended to serve as official minutes or statements from any participant. This document serves to capture the highlights of the meeting and provide a level of understanding and consistency throughout the sub-committee process. Any questions may be directed to Christopher Germain at Ohio EPA.

In Attendance: Christopher Germain (Ohio EPA), Andrew Booker (Ohio EPA), Terrie TerMeer (Ohio EPA), Brad Cole (CCAO), Jack Betscher (Putnam), Dan Graeter (Montgomery), Dana Storts (Greene), George Brake (Van Wert), Rob Reiter (SEO), Dennis Baker (ACHMSU) and David Bayliss (CCAO/Logan County). Cheryl Subler (CCAO) also made a cameo appearance.

The meeting began with a discussion – led by Brad Cole – about shared service legal frameworks including ORC 9.48 (joint-purchasing programs) and 9.482 (contracting between political subdivisions). The main take away was that Ohio has a framework already set up for sharing services. In recent years, the definition of ‘political subdivision’ has been expanded dramatically, allowing for even more opportunity, including through trade organizations such as CCAO.

The group then discussed previous action items. The first was a list of current shared services compiled by OSWDO. Dana Storts has been working with Paul Braasch to compile the information, but the list was not complete (the deadline for responses was Friday, January 25, 2013). The group talked in more detail about what the list could entail. Ultimately, a three-tiered list will show the best picture:

1. Formal partnerships between SWMDs
2. Informal partnerships between SWMDs (no contract or formalized structure, but they happen)
3. Partnerships between SWMDs and local governments (bid specs, etc...)

Ohio EPA provided committee members with a written statement about reasoning behind consolidation and some broad examples of inefficiencies in the system (as requested by OSWDO).

The group then discussed barriers to shared services. Legally, there don't appear to be any. ORC 9.48 and 9.482 allow for broad powers to share services and 2744.01 definitions specifically include solid waste management districts as a political subdivision (confirmed after meeting). CCAO will review ORC 343 to ensure no language will supersede the broad authorities granted in other sections of the code. Despite the lack of legal boundaries, the group noted a number of other barriers: political affiliations, legacy issues, time restraints, geographic distance, experience of coordinators, operational differences, fiscal concerns, upfront investment costs, (time and money), flow control and a lack of education.

Ohio EPA shared a basic proposal for Ohio EPA facilitated consolidation. The group provided several reactions to the proposal:

1. Many felt the waiver process was too subjective and needed to be more criteria based – it doesn't seem fair to require Districts to do more than is required to meet the goals in order to get a waiver. Ohio EPA just raise the goals;

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- a. Ohio EPA responded by saying that the goals are flexible because of heavy pushback from Districts whenever we engage in discussions about changing them.
2. 19 Districts fall below the 100,000 population threshold (including one multi-county district)
3. 12 months is not long enough to develop the relationships necessary for smooth consolidation
 - a. 36 months should be a minimum
 - b. Ohio EPA believes 36 months is too long, but there is room for negotiation
4. Ohio EPA confirmed there is the possibility of breaking up current Districts to form new ones if necessary, but that's not anyone's intention
5. The group wondered what type of assistance would be available to Districts during the transition

After initial reactions, the conversation turned to alternatives including the possibility of Districts signing 'cooperative agreements' to promote more shared services instead of changing the actual political boundaries. Some committee members also suggested simply revoking the current waivers in place for Districts below 125,000 instead of establishing a new threshold. One member also suggested that the group consider establishing joint plans.

The conversation then turned to funding in particular. There was general opposition to the idea of "spreading the wealth" because there are other factors involved including social costs. Rob Reiter had one of the most notable quotes of the meeting, stating that "typically the burdens of the rich districts are greater than those of us in the middle class." There was also general opposition to a centralized fund for SWMDs.

Several members reiterated their opposition to state mandated consolidation. They also reiterated concerns that consolidation doesn't solve the issues faced by less-functional Districts, including a lack of leadership and continuity of staff and that we need to ensure that less-functional districts don't reduce the effectiveness of those around them if they are consolidated. Ohio EPA responded that their opposition is well documented, but this group's purpose is to actively look at proposals and find ways to minimize those concerns, not debate the merits of consolidation

The group discussed what would be necessary for consolidation to work: a neutral facilitator (perhaps a local would be best – certainly not Ohio EPA), small meetings (growing into larger ones later), and active commissioners. The issues they would need to discuss include:

1. General administrative issues (offices, procedures, etc...)
2. Assets (capital and financial)
3. Debt
4. Personnel
5. Services & Existing Contracts
6. General Sales Revenue
7. Fiscal Officers (who would house the fund)
8. Investment Income
9. Other legal issues

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The group broke for lunch. Upon their return, they reviewed four possible scenarios for regional planning. The proposals ranged from localized regional meetings during plan updates to established regions with shared planning activities. All proposals retain local authority while promoting shared services and cooperation. In general, there was interest in pursuing regional concept #3 (some preferred #2). Several key points were made:

1. We must clarify the role of Ohio EPA in developing the regional strategic plans (this includes what role Ohio EPA District Offices may play);
2. The regional ADR would need to provide value to all Districts – not sure how to do that, but we must look into it;
3. There should be some incentive to work together – again, not sure what that would look like;
4. Are there penalties for Districts who don't follow the regional plan?
5. The regional plans must be flexible and acknowledge that things can be done differently on a local level, but still achieve the same result;
6. This could be a pre-cursor to consolidation efforts – it could tell us who would work well together

At the close of the meeting the group reviewed the to-do list for next week:

1. Ohio EPA will develop the Facilitated Consolidation proposal further
2. Ohio EPA will develop the regional planning scenarios further, focusing especially on #3, but also #2
3. OSWDO will complete at least a rough draft of the list of shared services
4. CCAO will review ORC 343 for any legal barriers to shared services

The next meeting will be Thursday, January 31st from 10:00a – noon via WebEx/Conference Call.