



**City of Minneapolis Solid Waste Organized Collection
Planning and Discussion Process Participation Summary May 20, 2013**

A. Introduction

The following summarizes the solid waste organized collection planning and discussion process conducted by the City of Minneapolis through May 20, 2013.

1. Previous Intent to Organize Solid Waste Collection

Prior to 1971, the City had organized collection of “wet garbage” by City collectors city wide and private collection of everything else city wide. With the implementation of a residential burning ban the City of Minneapolis amended its Charter to establish a new approach to collection of residential mixed municipal solid waste. Since that time the City has had a system of organized collection for all mixed municipal solid waste for properties with four units or less. The City divided collection into geographic halves: one half is collected by City employees, the other half is collected by Minneapolis Refuse Inc. (MRI), a consortium of solid waste haulers. The contracts with MRI have been for terms of five years each and have been continually renewed since the original contract in 1971.

On February 10, 2006, the Minneapolis City Council voted to conduct a Request for Proposals (RFP) process under which the City would seek competitive proposals for the solid waste collection contract held by MRI. MRI then filed suit in Hennepin County District Court seeking a Temporary Restraining Order (TRO) to prevent the City from moving forward with the RFP process. MRI argued that the City Council's vote violated Minnesota Statutes § 115A.94 on organized collection as it then existed.

Minneapolis Solid Waste and Recycling then began the 180 day planning and discussion process as per Minnesota Statutes § 115A.94 on organized collection as it then existed. The City did end up issuing an RFP for collection of solid waste and recycling. The five year, multi sector, service contract was awarded to MRI. For a complete summary of the process from start to finish, please visit the [report on-line](#).

2. Current Intent to Organize Solid Waste Collection

On September 21, 2012, the City set a public hearing to be held on October 9, 2012 to begin a 180-day process to discuss with the current contractor and other interested parties options for the future collection of garbage, recycling, problem materials (metals and mattresses), and yard wastes for one-half of the City’s dwelling units (MRI-side of the City) using the procedures of Minnesota Statutes,

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Section 115A.94, Subd. 4.

On October 9, 2012, a Public Hearing for Intent to Organize Collection was held at the Transportation and Public Works Committee of the Minneapolis City Council.

On October 25, 2012 – the full Minneapolis City Council adopted a Resolution of Intent to begin the 180-day process to organize the collection of solid waste in the City and inviting the participation of interested parties in planning and establishing the organized collection system in an effort to be consistent with the procedures set forth in Minnesota Statutes, Section 115A.94, Subd. 4 as it existed at that time.

On January 29, 2013 the Minneapolis Department of Public Works submitted a receive and file report to the Transportation and Public Works Committee of the City Council which outlined the first 90 days of planning and announced the next 90 days of discussion period pursuant to Minnesota Statutes, Section 115A.94, Subd. 4 as it existed at that time.

3. Organized Collection Statute

Minn. Stat. § 115A.94, subd. 1 defines "organized collection" as a system for collecting solid waste in which a specified collector, or a member of an organization of collectors, is authorized to collect from a defined geographic service area or areas, some or all of the solid waste that is released by generators for collection. Under Minn. Stat. § 115A.94, subd. 3(a), a local government unit may organize collection as a municipal service or by ordinance, franchise, license, negotiated or bidded contract, or other means, using one or more collectors or an organization of collectors.

As the statute existed prior to May 8, 2013, Minnesota Statutes, Section 115A.94 Subd. 4(a) provided that at least 180 days before implementing a new ordinance, franchise, license, contract or other means of organizing collection, the city, by resolution of the governing body, shall announce its intent to organize collection and invite the participation of interested persons - including persons licensed to operate solid waste collection services - in planning and establishing the organized collection system. Following the procedures of the existing statute, the City of Minneapolis held a public hearing on a Resolution of Intent to organize collection on October 9, 2012. The Resolution of Intent to Organize Collection was approved by the full City Council on October 19, 2012. The 180 day planning and discussion process began after the adoption of the resolution of Intent to Organize Collection.

4. Planning Period

The statute, under Subd. 4(c), provided that the City shall develop or supervise the development of plans or proposals for organized collection during a 90-day period following the Resolution of Intent to Organize Collection. During this planning period, the City shall invite and employ the assistance of persons licensed as of the date of the Resolution of Intent to Organize Collection services in the City. Failure of a licensed collector to participate in the planning period, when the City has made a bona fide effort to provide the person the opportunity to participate, does not invalidate the planning process.

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In November of 2012, the City sent hard copy notices to all licensed haulers within the City stating that the planning process was beginning and outlining methods of participation for licensed haulers. The City indicated that it was planning a series of public meetings for haulers to attend, and also that the City would be accepting written comments on the planning process as well.

The City also notified 139 hauler contacts, 127 neighborhood association contacts, and 69 labor contacts via email. A GovDelivery email list was established specifically for the 115A.94 process to inform interested parties about the planning process for organized collection. Each time a meeting was held, an electronic notice went out via the GovDelivery lists and physical copies of the meeting notice were sent to the licensed haulers.

The City established a public web site where all documents for the 2012/2013 planning and discussion process can be found and included the 2008 RFP and Map of Service Area. All meeting notes, and requested information by the attendees were also posted on line. Web Address: <http://www.ci.minneapolis.mn.us/solid-waste/WCMS1P-100890>

5. Discussion Period

After the initial planning period a total of 39 persons were placed on the interested party list for the discussion period. This list included labor unions, legal representatives, City staff, and neighborhood groups. Nineteen licensed collectors were included in the list.

The City of Minneapolis Public Works department sent letters and notices for all meetings and discussion topics to the interested parties list via email and hard copy via US Mail.

B. Methods of Participation

1. Five Hauler Meetings

The City conducted three meetings during the planning period for licensed haulers and other interested parties. The meetings occurred on:

- a. November 13, 2012 at North Commons Park in North Minneapolis. (27 persons attending);
- b. December 11, 2012 at North Commons Park in North Minneapolis. (19 persons attending); At the December meeting it was discovered that many of the interested parties did not go to the web site to look at or download the 2008 RFP and Map of Service Area. Therefore it was decided that the City would mail hard copies of all documents on the public web site to all interested parties.

Copies of all documents on the public web site were mailed via US Mail to all the interested parties on December 18, 2012.

- c. January 8, 2013 at North Commons Park in North Minneapolis. (19 persons attending). Interested parties that were new to the meeting were given hard copies of all materials and added to the interested party mailing list.

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The City conducted two meetings with interested parties during the discussion period.

- a). February 26, 2013 at Martin Luther King Jr. Park in South Minneapolis (18 persons attending).
- b). March 26, 2013 at North Commons Park in North Minneapolis (17 persons attending).

Copies of the notes from the meetings and letters received were posted on the City's web site and information that was requested was given to the interested parties.

<http://www.ci.minneapolis.mn.us/solid-waste/WCMS1P-100890>. A copy of the interested parties list is attached to this report (Exhibit B).

After the last two meetings during the discussion period, it was determined that a consensus between haulers and City staff on the method of organized collection was not achieved, and the opinions of a majority of the haulers was still unknown. The Department of Public Works sent out letters to all interested parties asking them to give their opinion on the method of collection. These surveys were received through May 20th. Copies of the surveys can be found in Exhibit E.

2. Neighborhood Comments

The City received one letter from the Single Creek Neighborhood Association during the initial 90 day planning period.

3. Written Comments

The City received written comments regarding the planning process from labor, haulers and one neighborhood group.

C. Summary of All Comments

1. MRI Views

Many members and several legal representatives of MRI participated in each of the five meetings. MRI members and representatives remained largely silent at the three meetings. They submitted two letters to the City via Winthrop and Weinstine stating their position.

- a).The City Council adopted the Labor Peace Policy in 2007 pursuant to a City Council resolution. The rationale of the action was to protect the City's financial, economic and proprietary interests so as to ensure that City contracts are performed without interruption from strikes or other disputes.
- b).MRI and its members respectfully submit that nothing has changed over the past six years which would in any way, undercut or take away from the passing of the Labor Peace Policy in 2007.
- c).MRI requests that Labor Peace continue to be part of, and a condition precedent to, any future contract between the City and any hauler of residential waste and recycling.

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MRI encourages action by the PRC and the City Council to ensure that this important issue is addressed in the near term.

d).MRI believes that the City and residents receive significant benefits from the efficiencies achieved by a single vendor serving the contracted portion of the City. A single vendor ensures accountability for all uncollected items and damage claims, makes program changes easier to implement, and one call reaches all of the collection crews on the non-city collected side.

e).MRI and its members reserve the right to provide additional comments leading up to the end of the ninety day period of the Organized Collection process. They look forward to working with the City during the ninety day discussion period and would like to be allowed to continue to serve the residents of the City with the high-level of service to which they have become accustomed.

f). During the survey portion of the process, MRI and its twelve (12) licensed haulers (13 total surveys), a majority of the licensed haulers, stated: City of Minneapolis should continue with the current method of having one half of the City serviced by City crews and one half of the City serviced via a single contract with Minneapolis Refuse Inc.

2. Other Hauler Views

The City received one letter from Aspen Waste Systems who believes that they can serve the City well. Aspen listed several reasons they feel qualified to serve Minneapolis:

- a) Aspen previously completed the RFP and won (subsequent labor peace issues prevented them from moving ahead with contract phase).
- b) Customer satisfaction meets or exceeds comparative standards
- c) Customer service is locally based
- d) Aspen is based in the City of Minneapolis and provides more jobs in the City than any other licensed waste hauler.
- e) Aspen has consistently proven its commitment to Minnesota's waste to energy hierarchy (before landfills). They are the largest direct hauler to HERC by choice.
- f) Aspen's founder, owner and president is a lifelong resident of Minneapolis.

The City also received one letter from Elite Waste Disposal who felt that they would be able to submit a proposal if labor peace were not included in the contract for organized collection.

During the survey portion of the process, several private haulers who are not part of MRI responded with the following comments.

- a). Fewer than 4 haulers should be contracted to provide services on the non-City collected half
- b). City should retain flexibility in awarding contract
- c). Existing haulers should continue to have an opportunity to retain current market share
- d). A single private sector hauler should service entire city.

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3. Labor Union Views

The City received several pieces of correspondence from the Teamsters Local 120 and several of their representatives attended the planning and discussion meetings. In summary here is what was contained in the letters.

- a) An August 2012 article from the Seattle times entitled “Strike over, rush on to haul off lots of stinky trash.
- b) A Power Point presentation entitled “Trash and the Public Interest” prepared by Teamsters Local 120. The Power Point contains photos of uncollected garbage from a Toronto strike in 2002, Athens work stoppage in 2001, and a Chicago strike in 2003.

The Power Point includes slides on: driver fatigue, poorly maintained trucks, occupational safety, revenue and public-private partnerships. The final slides point out San Francisco as a model partnership between the City, unions and the private hauler. San Francisco’s mandatory diversion rate is fifty percent and they have achieved sixty seven percent.

- c) The PRC’s 2008 findings that haulers should be required to enter into Labor Peace Agreements as a condition for contracting to provide solid waste and recycling services to the City of Minneapolis.
- d) The possibility of work stoppages would present serious financial challenges to the City.
- e) The risk associated with a disruption of garbage collection would not only affect marketability of the City but could pose a serious public health issue.

The City received a letter from the Regional Labor Federation. This letter was very similar to the Teamsters letter in their concerns for the ability to prevent work stoppage, protect the public health and safety of the residents of the City. They argued that no public proposal has yet emerged as a credible alternative to labor peace that would ensure the prevention of work stoppages. “A labor peace requirement is a proven, effective tool to ensure that quality service continues without risking work stoppages.”

4. Neighborhood Group Views – The City received one letter from Shingle Creek Neighborhood Association. In it they summarized their strong support for MRI who has their main office in the neighborhood as well as 13 member businesses. They believe these five factors are the most important for the City to consider.

- a) Having a coalition of 13 strong small businesses provides a level of services and a competitive opportunity that a city this size requires to maintain the city without massive and multiple interruptions which increase costs.
- b) There are tremendous costs involved with creating new systems. The city is trying to save costs at every turn. Thirteen small businesses in the City is more important than being beholden to one single large provider.

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c) Providing living wage jobs in the city is more important than feeding into a huge single company. Local companies tend to employ locally and one very large company likely employs people from outside the community.

d) Having strong small businesses provides more local benefits for schools, youth, nonprofits and programs than one single company would. They believe that this aligns with the Minneapolis Plan for sustainable growth 2011.

4.1 Support private sector growth to maintain a healthy, diverse economy.

4.2 Promote business start-ups, retention and expansion to bolster the existing economic base.

4.7 Focus resources and efforts on connecting residents to good jobs.

4.8 Continue to pursue the removal of barriers that prevent residents from holding living wage jobs and achieving economic self-sufficiency.