



## Request for City Council Committee Action From the Department of Public Works

**Date:** February 2, 2010

**To:** Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee

**Referral:** Honorable Betsy Hodges, Chair, Ways and Means Committee

**Subject:** **Contract with Hennepin County for Solid Waste Disposal Services**

**Recommendation:**

Authorize appropriate city officials to execute a contract with Hennepin County for disposal of solid wastes collected by Minneapolis Solid Waste and Recycling Services and its contractors, including a tipping fee (disposal fee) of \$43/ton from April 1, 2010 to December 31, 2010 and a tipping fee of \$45/ton from January 1, 2011 to December 31, 2011.

**Previous Directives:**

- December, 2001, authorize Solid Waste Agreement A12870 to deliver, and to direct contracted collectors to deliver, solid wastes to the Hennepin Energy Resource Company (HERC) through December, 2005 at \$39 per ton.
- October, 2005, authorize first Amendment to the Solid Waste Agreement, to be effective through June 30, 2006 at \$39 per ton.
- June, 2006, authorized second Amendment to the Solid Waste Agreement, to be effective through March 31, 2007 at \$39 per ton
- May, 2007, authorized third Amendment to the Solid Waste Agreement, to be effective through March 31, 2008 at \$36 per ton
- September, 2008, authorized fourth Amendment to the Solid Waste Agreement, to be effective through March 31, 2010 at \$38 per ton from April 1, 2008 to March 31, 2009 and \$40 per ton from April 1, 2009 to March 31, 2010.

**Prepared by:** Susan Young, Director, Solid Waste and Recycling Services 612-673-2433

**Approved by:**

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Steven A. Kotke, P.E., City Engineer, Director of Public Works

**Presenters:** Susan Young, Director, Solid Waste and Recycling Services

**Reviews**

Permanent Review Committee (PRC)	Approval <input type="checkbox"/>	Not applicable <input checked="" type="checkbox"/>
Civil Rights	Approval <input type="checkbox"/>	Not applicable <input checked="" type="checkbox"/>
Policy review Group (PRG)	Approval <input type="checkbox"/>	Not applicable <input checked="" type="checkbox"/>

**Financial Impact**

Action is within current department budget

**Community Impact**

Neighborhood Notification: Not Applicable

City Goals: Not Applicable

Comprehensive Plan: Not Applicable

Zoning Code: Not Applicable

**Background/Supporting Information**

The Division of Solid Waste and Recycling Services provides garbage, recycling, yard wastes, large item/problem materials (metals) and electronics collections services for approximately 104,000 dwelling units in Minneapolis. All 1 – 4 dwelling unit residential properties in Minneapolis are required to have City services. Collection is provided by City employees to one half of the dwelling units, and by a contractor, Minneapolis Refuse, Inc., to one half of the dwelling units. Solid Waste and Recycling Services directs the delivery of all collection services to city or city-contracted processing and/or disposal facilities. The City contracts with Hennepin County to dispose of solid wastes at the Hennepin Energy Recovery Facility (HERC) in downtown Minneapolis. The City is currently paying a tipping fee of \$40/ton.

The County has proposed a fifth Amendment to the original contract. The Amendment would have a tipping fee (disposal fee) of \$43/ton from April 1, 2010 to December 31, 2010 and a tipping fee of \$45/ton from January 1, 2011 to December 31, 2011. The tipping fee increases are due to the removal of the Environmental Fee from the County property taxes with recovery of those revenues through the HERC tipping fee. The City, as in previous contracts, would pay no more per ton than any other entity for disposing of wastes at HERC. The County will continue to distribute SCORE (Select Committee On Recycling and the Environment) revenues it receives from the State to the City; the allocation of SCORE funds will be proportional based on the number of households served by curbside collection in the County. The HERC facility shall always be available for Minneapolis to bring solid wastes, and the operational policies and practices at HERC with respect to City deliveries of mixed municipal solid waste will support the City's solid waste and recycling provisions for oversize items including mattresses. Upon mutual agreement between both parties, the County may divert mixed municipal solid wastes to a City owned transfer station; the County shall reimburse the City for all costs associated with the diversion. The County will continue to support the City's consumer electronics collection program as it has in previous years.

Garbage tonnage is strongly influenced by the economy. In 2007 the City hauled 105,711 tons of garbage to HERC; in 2008 101,721 tons. It is anticipated that the 2009 tonnage will be approximately 100,000 tons. A \$2/ton increase in tipping fee will result in an approximately \$200,000 increase per year in our HERC expense, assuming a flat waste generation rate through 2011.