



April 17, 2013

David M. Aafedt  
Direct Dial: (612) 604-6447  
Direct Fax: (612) 604-6847  
daafedt@winthrop.com

**VIA E-MAIL**  
**david.herberholz@minneapolismn.gov**

David Herberholz, Director  
City of Minneapolis  
Division of Solid Waste and Recycling  
309 - 2nd Ave. S., Room 210  
Minneapolis, MN 55401-2281

Re: Solid Waste Organized Collection Process Comments – Minneapolis Refuse Inc.

Dear Mr. Herberholz:

As you know, our firm represents Minneapolis Refuse, Inc. (“MRI”) in conjunction with the Organized Collection Process (“Process”) undertaken by the City of Minneapolis (“City”) to Organize Collection of Solid Waste and Recycling in accordance with the Minnesota Statutes Section 115A.94 (2012). Please let this correspondence serve as MRI’s supplemental comments to that process and, more specifically, in support of the inclusion of Labor Peace in the City’s solid waste collection contract and in opposition to the arguments made by City representatives at the March 26, 2013, meeting as to why Labor Peace was not necessary.

As with the prior organized collection process undertaken by the City, there has been significant discussion surrounding the issue of Labor Peace as part of this Process. On August 31, 2007, the City Council passed Resolution No. 2007-454 (August 31, 2007) directing the Permanent Review Committee (“PRC”) to make findings regarding the inclusion of Labor Peace in the City’s Request for Proposals for the Collection of Garbage, Recyclables, Problem Materials (including mattresses and box springs) and Seasonal Yard Waste. Generally, the rationale underpinning the City Resolution was that it sought to promote the rights of working men and women, and 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.

More specifically, the PRC found, among other things, the following:

1. The City wants refuse generated by occupants of residences to be picked up and disposed of efficiently and cost-effectively as would any property owner;

2. The City has a vested and proprietary interest in the materials disposed of by owners and occupants of residential units;
  - a. The anticipated contract amount to be awarded by the City will exceed \$250,000 per year;
  - b. The period of the contract will be for a period of between 3 and 5 years;
  - c. There would be adverse financial and economic impacts of any disruption of refuse service at any given time or over duration of contract for services, including:
    - i. Complaints could overwhelm the City's call center and constituent service communication lines;
    - ii. Negative publicity may affect convention and visitor business; and
    - iii. Demands placed on other City personnel obligated to maintain the health, safety, and ambiance of the City will result in stress and adversely affect the delivery of other City services;
    - iv. Use of existing City employees or outside third-party contractors would be at a severe negative financial consequence to the City, including requiring the City to borrow funds to finance and pay for the budgetary shortfall; and
    - v. The risk to the public health and safety associated with the disruption in the collection of garbage are of paramount importance to the City and its residents. Such a disruption would result in odors, attraction of pests, vermin, and rodents, and the potential for sickness and disease.

Ultimately, the City Council concurred in the foregoing findings and determined that the Labor Peace policy must be a condition precedent to contracts like the one under consideration as part of processes like this.

As briefly noted above, at the March 26, 2013, meeting in this Process, City representatives suggested to attendees that they were weighing not including Labor Peace as part of this Process. The purported rationale was that the City could minimize risk by: 1) re-deploying other City staff to collect waste and forego collection of, among other things, recycling; 2) having multiple haulers under contract; and 3) waiting for a contract default to provide funds from the contractor's performance bond to help cover a portion of the costs incurred.

With all due respect, MRI disagrees with the position presented at the March 26<sup>th</sup> meeting as nothing has changed in the intervening five-year period which would undercut or lessen any of the foregoing findings made by the PRC in 2008 and the City Council's wisdom in passing the

David Herberholz, Director

April 17, 2013

Page 3

Labor Peace resolution in 2007. More specifically, and in response to the points raised at the March 26<sup>th</sup> meeting: (1) the PRC expressly found that the obvious, negative consequence associated with point number one (1), above, is not a viable alternative; 2) having multiple haulers under contract as “back-up” is impractical and imprudent from both a logistical and financial perspective when this risk could be obviated altogether; and 3) having a performance bond does not provide any assurance that the City will be able to find qualified, skilled haulers to cover half of the City to replace the striking workers.

As the City is aware, MRI committed to Labor Peace many years ago and has a collective bargaining agreement through 2014 that protects union workers and ensures that they will not be displaced, and which will ensure that the City services will be performed. MRI respectfully submits that Labor Peace must continue to be part of, and a condition precedent to, any future contract between the City and any hauler of residential waste and recycling. And MRI represents that it is willing to extend its Labor Peace Agreement with Teamsters Local 120 and expressly commits to the same with the City. We respectfully encourage action by the Permanent Review Committee and the City to take action in the near term to ensure that this important issue be addressed.

On a related, yet slightly different note, MRI and its members believe that the Process should result in the selection of one collection vendor for the contracted side of the City. One collection vendor ensures that it is accountable for all uncollected items and for damage claims, and ensures that significant efficiencies will be achieved as it relates to program changes. It only takes one call to reach all of the collection crews on the non-city side. Moreover, it makes it significantly easier to implement updates/changes throughout the entire side of the City. Consistent with the goal of this Process and Labor Peace, choosing a single vendor like MRI ensures that there will be no displacement of the numerous small business and no displacement of the union workers that make up MRI.

Lastly, and significantly, if there is not a Labor Peace Agreement and a contractor’s employees organize with a union, it is probable that their collective bargaining agreement would include the right to strike or lockout.

MRI and its members thank you and the City for the opportunity to comment on the issues under consideration as part of the Organized Collection process. We continue to respectfully reserve the right to provide additional comment following the City’s receipt of comments from other interested parties up to the end of this first-ninety day part of the process.

In conclusion, MRI and its members look forward to continuing to work with the City during this process and allow MRI and its members to continue to serve the residents of the City with the high-level of service to which they have become accustomed.

Please feel free to call or e-mail if you have any questions or require anything further from MRI or its members.

David Herberholz, Director  
April 17, 2013  
Page 4

Thank you.

Very truly yours,

WINTHROP & WEINSTINE, P.A.

*David M. Aafedt /crt*

David M. Aafedt

cc: Doug Kruell  
Charlie Hall

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