

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

00-508

SYNOPSIS -

AGENDA:

NOVEMBER 6, 2000

On April 19, 1999, the City Council authorized staff to pursue amendment of the Municipal Code to reflect a solid waste user fee of \$10.25 per household (\$9.25 for low-income eligible households) effective July 1, 1999, for bi-weekly curbside collection of recyclables and basic solid waste collection and disposal services. Further, the Council increased the price of yard bags to 75 cents, single use stickers to 50 cents, and annual use stickers to \$12.50. On May 1, 2000, by Roll Call No. 00-1352, the City of Des Moines entered into an agreement with the Metro Waste Authority (MWA) for the joint operation of a program for disposal of recyclable materials through June 30, 2001. These modifications stabilized the solid waste user fee at \$10.25 through June 30, 2001.

SUBJECT:

IMPLEMENTATION
OF
COMPREHENSIVE
SOLID WASTE
PROGRAM

Staff now provides the following comprehensive solid waste program options through June 30, 2004, and June 30, 2005, respectively.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

RATE INCREASE (Option One)
Increase the monthly solid waste fee from \$10.25 monthly to \$11.25 monthly. This 32 percent increase since June, 1999, will provide solvency in the Solid Waste Enterprise Fund through June 30, 2004, although the fund balance will continue to diminish with expenses exceeding revenues. Under this option, the solid waste fee would need to be increased an additional \$1 in July, 2004. Current yard bag rates and bi-weekly curbside recycling would be maintained, including:

SUBMITTED BY:

JOHN P. BELLIZZI
PUBLIC WORKS
DIRECTOR

- Bi-weekly recycling for old newsprint and mixed paper only.
- City maintaining yard waste composting operation and continuing to subsidize yard waste bags.

WILLIAM G. STOWE
PUBLIC WORKS
DIRECTOR
DESIGNEE

PROPOSED UNIFIED SOLID WASTE PROGRAM (Option Two)
· Maintain solid waste fee at \$10.25 per month through June 30, 2005.

- Negotiate with the MWA for lease of City-owned composting facility at SE 15th and Harriet Streets, allowing the MWA to establish a regional yard debris program effective March 1, 2001.

- Focus bi-weekly curbside recycling on old newsprint and mixed paper only to increase percentage of material recycled effective March 1, 2001.

- Purchase a tree and brush debris grinder to process tree debris generated from storm events.

Under Option One, all solid waste users pay a \$1 increase per month, or \$12 more per year, in order to subsidize yard debris bag costs. The City would continue the bi-weekly recycling of cans, glass, and plastic, as well as paper.

Under Option Two, the City is encouraging a "pay as you throw" approach to waste management, encouraging economically feasible recycling and maintaining monthly solid waste fees at \$10.25 for the period July 1, 1999 - June 30, 2005.

Option Two would stabilize the solid waste user fee at \$10.25 per household (\$9.25 for low-income eligible households) through June 30, 2005. However, the cost of leaf and yard debris bags would increase under the MWA composting program from 75 cents to \$1.50 and stickers would increase from 50 cents to 90 cents. Annual stickers would increase from \$12.50 to \$20. Additionally, brush bundles placed at the curb by property owners would require a sticker for collection. These MWA-determined rates would remain in effect through June 30, 2005.

FISCAL IMPACT -

Under Option One, the \$1 per month household increase would generate nearly \$750,000 annually necessary to maintain current composting and recycling programs through June 30, 2004.

Under Option Two, the City would receive an estimated \$200,000 from the MWA for its existing compost facility equipment as a one-time revenue. Des Moines' compost operation budget would be eliminated, and the City would receive \$52.54 per ton to collect an estimated 15,000 tons of residential yard debris per year. The fiscal impact from this option would benefit the City \$850,000. Des Moines residents, on an average, use 15 yard bags annually; Option Two bag/sticker increases would impact average households \$6 - \$11.25

annually (excludes brush bundle charges). Option One expenses would increase households' costs \$12 annually.

RECOMMENDATIONS -

Public Works' staff recommends Option Two and asks Council to:

- **Authorize staff to negotiate with the MWA for lease of the City's compost facility at SE 15th and Harriet Streets and for the sale of the existing equipment at fair market price effective March 1, 2001.**
- **Authorize staff to pursue amendment of the Municipal Code to allow for the curbside recycling of waste paper only. Drop-off recycling will continue to be available for other recyclables at the MWA's drop-off site at 1817 Euclid Avenue.**
- **Authorize staff to prepare specifications and take bids for a tree and brush debris grinder to process Forestry and Parks' tree debris and material generated as a result of storms.**
- **Proceed with City-operated pilot programs in refuse and recycling automation, capturing savings through labor attrition and measurable efficiencies.**

BACKGROUND -

Solid Waste Recovery

The City of Des Moines has provided residential solid waste recovery through City staff for over 25 years, following the failure of private collection services. The current \$10.25 per month rate, billed on residents' water bills along with sewer charges, has been in place since June 1, 1999. This solid waste fee provides the revenue stream supporting the inter-related yard debris (composting), bi-weekly curbside recycling, and conventional "trash" pick up.

Yard Waste Collection and Processing

In 1989, the Public Works Department initiated the first leaf and yard debris compost operation in the state of Iowa at the former Harriet Street Landfill location at SE 15th and Harriet Streets. The City also initiated a leaf and yard debris bag purchase and distribution program for Des Moines residents. Current bag/sticker fees do not support the collection and processing of yard debris, which is currently supported

by all residents' monthly charges. The current yard bag revenues pay approximately one-half the cost of processing and collection. Approximately 50 cents per bag, in addition to the current rate of 75 cents, is necessary to meet actual collection and processing costs. Currently, the City of Des Moines collects and processes yard debris with City employees.

Under Option Two, the MWA has now proposed a unified program wherein the Authority would process all metropolitan area leaf and yard debris at the Harriet Street compost facility. In addition, the Authority would establish a unified program for leaf and yard debris bags and stickers, eliminating confusion created by purchasing yard bags outside the City.

On October 18, 2000, the MWA Board approved the Memorandum of Understanding subject to final negotiations with the City of Des Moines. Staff now requests permission to negotiate with MWA for lease of the Harriet Street compost facility and reimbursement to the City of Des Moines for its leaf and yard debris collection costs. It is proposed that the City would receive \$52.54 per ton to collect residential yard debris. This is the rate that MWA is currently reimbursing other haulers that participate in the MWA program.

Revenue received from the sale of existing equipment at the Harriet Street facility would be utilized in the purchase of wood processing equipment to produce wood chips from tree debris generated in the City's Forestry and Parks' operations. The same equipment would be capable of grinding tree debris generated from the curbside collection of material resulting from storm events.

Curbside Recycling

The City's curbside collection of recyclables was initiated as the Curb It Program by the MWA. The program involves collection of newspaper, mixed paper, plastics, glass, and tin cans.

The City worked as a contractor for collection of recyclables from November of 1994 to June of 1999. During that period, the MWA funded the cost of the Curb It Program. The MWA encountered budget problems and requested that participating cities begin funding the Curb It Program. On June 15, 1998, the City Council approved a Curb It collection fee of \$1.75 per household per month effective July 1, 1999 through June 30, 2001. When faced with user fee increases of an additional \$1 per month to finance general solid waste collection operations, the Council approved a modified bi-weekly curbside collection program for recyclables which cut operational costs and did away with the projected \$1 increase in user fees. This program

became effective July 1, 1999.

During Fiscal Year 1999-2000, the City collected 7,072 tons of recyclables during curbside collection. Of this total, 4,020 tons were newspaper and 2,229 tons were mixed paper. The paper portions of the recyclables make up 88 percent of the material collected.

According to MidAmerican Recycling, which processes all materials collected in the metro area curbside collection programs, paper mills are now prepared to accept paper products in a mixed form. MidAmerican Recycling is also prepared to offer long-term contracts with the City and MWA for processing of this material at no cost.

Under Option Two, the City's current curbside program would be modified to concentrate on paper products only. They make up the largest portion of materials, are easily identifiable by residents, and may be stored by residents easier than containers that contained food items. This would simplify the sorting required by both residents and collection personnel. It is projected that this simplified program will be better understood by residents, generate more participation, and ultimately be more successful in the tonnages of wastes that are diverted to recycling.

Drop-off recycling would continue to be available to residents who wish to recycle clear glass, plastics, and tin cans.