

ALLEN COUNTY SOLID WASTE MANAGEMENT DISTRICT

Tuesday, March 30, 2010

Board Meeting:

Approval of February Meeting Minutes

Bill Brown: Motion to approve January minutes.

Maye Johnson: 2nd

Motion passed 6/0/0

DIVERSION CREDIT ORDINANCE

Tony Burrus: I've placed the Diversion Credit ordinance on the agenda at the request of Ms. Goldner. Each of you received an e-mail or letter from Karen.

Karen Goldner: I have concerns about the Diversion credit ordinance that we passed last month. Section G says that a company is not able to get the credit if you don't receive recyclables directly or indirectly from an entity that transfers municipal solid waste out of the district. Basically says from the District's point of view that if we don't get money from disposal fees then you as a recycler don't get money from the district. I see that is logical. But there are serious ramifications; one of which is easily solved and the other is not

Small commercial operations that want to have somebody come and take your recycling are going to need to know where the final waste stream goes. And if you are the small recycling company in the middle and have any sort of miscellaneous debris which you'll have if not disposed of in the district at a particular landfill you would not qualify for that credit. That causes some potential paperwork type of problems for smaller companies.

The significant issue for the City of Fort Wayne or any municipality within Allen County is that the clause basically says that one contractor and that is Serv-All has a landfill advantage that is quantified at \$1.00 short of whatever the value of Diversion Credit is. For example if they are bidding for that contract and they will be in a few months. Serv All will be disposing of waste at their facility. They will get the credit. Other vendor doesn't have the ability to dispose of waste in the county and would not get that credit. The ordinance that passed says that a contractor must dispose of waste in the district and that's a huge amount of money.

Bill Brown: Karen, What do you mean by “doesn’t have the ability?”

Karen Goldner: All Serv-All has to do is say to another vendor “You can’t dump here.” Of the previous five bidding contractors, only one disposed of trash in the county. All the other bidders took refuge out of the county. I’m not suggesting that we need six landfills in 1 county; but this is what happens when we have only one landfill in one county.

I do understand the logic from the SWMD’s point of view, but I’d argue that most of what the SWMD does goes against its own financial self-interest. If we define the interest of the district as being how much tipping fees it gets then we wouldn’t encourage recycling which is really what the district is about. We’d encourage everyone to dump all they could in the landfill. My point is there are some values that override the maximizing of the profit. Obviously this body has already made that decision as a district. I am asking the district to reconsider and delete that section which limits Diversion Credit to compensate only companies utilizing the landfill in the district.

Nelson Peters: So where does that lead us? Does that enable those outside receivers or recipients to get the credit?

Karen Goldner: Yes.

Nelson Peters: Aren’t we then promoting Allen County Taxpayers money to be spent elsewhere?

Karen Goldner: Potentially. The problem I have is that somebody that is on the fiscal body of an entity that is letting an 8 million dollar contract, I’d like to know we are offering a level playing field for all potential vendors. The fact of the matter is that many of the contractors going to bid are not locally owned companies, so making the argument that they are taking their profit out of this community if you want to look at it that way. Meaning no disrespect to Serv-All or Republic, but I don’t think we want to set up a bidding system that is rigged by \$100,000.00 in favor of one vendor.

Tony Burrus I'd like to address other option, not meant as any direct correlation to what you're saying. There are several things the city itself could do: If the district wanted to ensure a level playing field the city could encourage the district to impose a tax – the least favorable option of course.

That is why we have a tipping fee. This board has said they didn't want to be on the tax role. That would even the playing field. However one obstacle with that is 40% of our waste comes from outside the district and we are getting those fees off of that and we couldn't have tax for us and tipping fees for someone else.

The city could impose a user fee across the board similar to the tax. Just a solid waste user fee assessed against every household or business.

Other things the city could do as well are to purchase space @ the landfill itself. Or drop the curbside program and utilize only the trailers.

Karen Goldner: The city is looking at unbundling the garbage contract. The question remains "Do we want the SWMD to set up the rules that benefit one vendor over others?" I'm confident you're not truly suggesting we drop curbside recycling. It is a reasonably effective program and not dropping it isn't a viable option.

Tony Burrus: It possibly isn't. Participation rates increased with single stream but there will be no increase in the capturing of materials. There really is no infra structure to support that type of program in Allen County.

Karen Goldner: But there is.

Tony Burrus: It is very limited.

Karen Goldner: I'm not sure Single Stream is the point here.

Tony Burrus: If things did go that way, we could have 2 companies doing processing – because another company that was successful with the bid could possibly put in their own facility.

Bill Brown: Question: Unbundling. Is that bidding garbage and recycling separately?

Karen Goldner: Yes, separating the recycling from the hauling from the collection or any combination. Thus you could take the lowest bidder on each separate service.

Tony Burrus: When the city took bids the last time we sent a letter because we had inquiries from all bidders, We suggested the did not include Diversion Credit in the business plan because of viability and the fact it may change through time w/ various studies. Having said that, I realize that the perception is out there because there is only one company that landfills. When we started the district, there were 12 haulers, 2.5 landfills, 2 processing facilities. Since then the complexion of the waste shed has changed – not by our doing. Certainly the folks regulating them the dept of justice and idem had seen that there wouldn't be a monopoly through decisions made. We don't have regulatory authority. Those r the things we've been handed. Only other option for the district is to impose a tax, or a user fee or tipping fees. Those are the three options allowed us.

Karen Goldner: Whether a bidder includes the credit's impact in their business plan doesn't have any impact on whether they are able to take the credit or not. In fact, it makes it worse from the city's point of view. You are telling the bidders that they should not take into account the opportunity to save money – six figures or so, but that one company just gets to keep it when they get it. Again I just think it unfair that a governmental entity, the SWMD, is setting up an unlevel playing field when we should be supporting better opportunities for vendors to compete which will drive down prices.

I'd like to make a motion to delete section G. 2-1-1-2-G from the ordinance.

Linda Bloom: Motion so moved, Do we have a 2nd?
Hearing none, motion dies.

Maye Johnson: I'd like to give it more thought.

Bill Brown: So would I.

Compost Agreements

Tony Burrus: You'll find the changes to these agreements are highlighted. Changes are insubstantial: the dates and a language clarification of longer branches to be considered contaminated materials. The issue is that we've had roll off boxes from land clearing operations. We are not to be in competition with the private sector and processing land clearing activity.

Karen Goldner: Motion to pass the compost agreements

Don Gerardot: 2nd

Motion passes 6/0/0

DIRECTORS REPORT:

Tony Burrus: Website Statistics are included in your packet

We've attended a very informative conference recently about curbside recycling. We've shared the information with the city.

Trash 2 Treasure is the 17th of April and we are looking for volunteers to judge from this board.

REVIEW OF CLAIMS:

Nelson Peters: Motion to Pay Claims

Karen Goldner: 2nd

Motion passed 60/0

Bill Brown: I'd like to discuss the concept of unlimited garbage pickup. It really hurts the entire concept of recycling. I am trying to understand why we don't have limited pickup.

Karen Goldner: That goes back to the goals that the city is trying to accomplish thru refuse removal. Recycling is definitely one of them but not the only one by any means. Other goals are: discouraging folks from dumping in alleys, vacant lots and anyway else, discouraging folks from getting into rifts with their neighbors when one slips garbage into another's less full can, and not insignificantly is the increased cost of enforcing a limited garbage policy.

There may be ways to deal with a significant contributor to unlimited trash issue. That issue is yard waste in the refuge. Our contractor works twice as hard in the summer months since the repeal of the yard waste ban. Our task force is looking at all possible options.

A lot of people like unlimited garbage pickup and would scream and yell and cause a fuss if that was taken away. I, like many of you, am an elected official and I react to that reaction.

Matt Gratz:(City of Fort Wayne Solid Waste Program Manager)

Agree with Karen that the residents of Fort Wayne like unlimited refuge removal. The pay as you throw system has its problems. In move out situations some folks take the entire house to the curb. With pay as you go their trash would be rejected that week and not picked up for a week or 2. We can fine the residents if we can find them – but the garbage still sits out for a period of time. The yard waste ban was statewide and was rescinded by the state. Thus the City Of Fort Wayne/Allen County had to also rescind the local ban.

What would be helpful if we could get more help in promoting these recycling programs from the Solid Waste District. We've also been consulting with specialists and other cities around the country to learn of their programs and the results. You can find tidbits and facts about our efforts through our website. I've not got the address at hand but you can enter through a link on the City of Fort Wayne's website: www.cityoffortwayne.org.

Karen Goldner: A second bin for organics was also discussed and single stream as well.

Public Comments: Candice Ingram: I'm going to be brief. I come as a concerned citizen who attended last evening's committee meeting on refuge collection by the city. I notice no representation by the ACSWMD except that of Karen who has only been on the board for 3 months now. The District should be involved. There is no doubt that the citizens are paying thru utility bills and thru tipping fees. Citizens interest should be what is at hand and also respect for our earth environment and where we ultimately put what should be land disposed. I appeal to the commissioners to go to the City and ask that the district be part of this process. The expertise should be available. Without it the citizens would be robbed.

Many of the things talked about are things that as a member CAC we've talked about a lot. The sustainability and the financial sustainability of the SWMD is important and it is right here at hand. The SWMD serves much needed utility in this county. How it financially sustains itself is archaic and we need to look at that.

I don't think without an integrated product delivery on the city's garbage contract including input from the SWMD, consultants and the City SW that it will be successful.

Also I think the timeline on it is too short. In 60 days they are to make a decision that will impact the next 7 or 10 years?? It is the Solid Waste Management District's Board's duty to the citizens to make integrated product delivery.

Tony Burrus: Our staff has been working with the city all along. We did not attend last night to allow the city to focus on its goals and statutory requirements which, as pointed out earlier, are sometimes in conflict with our own. We are available and happy to assist when requested.

Meeting Adjourned: 11:16