



Memorandum

To: Mayor Danielowski and City Council
From: Clay Wilfahrt, Big Lake City Administrator
Date: May 24, 2017
Re: Organized Solid Waste

Numerous residents have approached the City with questions about moving to a more organized collection of garbage. Additionally, with upcoming investments in City Streets, it is a sensible time to consider whether or not the City would be interested in pursuing organized collection. Staff has given some consideration to this possibility and has developed this memo to discuss the positives and negatives of organized collection as well as what a process for fully considering it might look like.

Open Collection

Open collection is the system currently operating in the City of Big Lake. This basically means that the city issues licenses to all qualified garbage haulers that wish to service the City. 65-80% of Minnesota Cities use this system for garbage and 40-60% use this system for recycling according to a 2009 MPCA study. Below are some pros and cons of open collection that were established in a League of Minnesota Cities memo.

What are the benefits of open collection?

- Residents have more choice and are free to select a solid waste collector based on their preference.
- There is a direct relationship between the solid waste collector and its customers.
- There are minimal administrative costs for cities.
- Smaller solid waste collectors are better able to enter the market in an open collection system by servicing a portion of city residents.

What are the drawbacks of open collection?

- Open collection generally results in a more expensive monthly cost for residents.
- Multiple collectors means more truck traffic and the resulting negative side effects, including the potential for added street maintenance costs, and increased vehicle noise and emissions, fuel consumption, and vehicle accidents.

- There may be inconsistent charges for the same level of service in a city.
- Cities have reduced ability to manage solid waste collection.

Organized Collection

Organized collection can occur in a number of iterations. Basically this is a system by which the city creates a system for collection of solid waste. Under this system, some cities manage their own garbage service, others contract with one or multiple providers to provide the service to the community. 20-35% of Minnesota cities use this for garbage and 50-60% use it for recycling according to an MPCA study from 2009. Below are some pros and cons of organized collection from a League of Minnesota Cities memo.

What are the benefits of Organized Collection?

- The price paid by households in an organized collection system is generally lower per month for similar service levels than in an open collection system due to increased efficiencies from serving every household or business in the community or on a particular route.
- Limiting the number of solid waste collectors allows cities to decrease the impacts of increased truck traffic, including the potential for added street maintenance costs, vehicle noise and emissions, fuel consumption, and vehicle accidents.
- Cities have greater ability to manage solid waste collection and can establish service requirements.
- Standardized service makes public education easier.
- Cities' ability to seek requests for proposals on a regular basis helps lower costs.

What are the drawbacks of organized collection?

- Households and businesses do not get to choose their collector.
- Cities have greater administrative involvement and costs.
- Small collectors have higher entry costs to get into the market and competitive opportunities are limited to contract openings.
- The statutory requirements for switching from open to organized collection are time consuming and can be difficult politically.

What are Council's options for solid waste service?

Remain with open collection – The Council could elect to remain with a system of open collection. If the Council feels that operation of garbage collection is adequate now, it does not need to address the issue. Similarly, if the Council believes that its residents would not want restricted choice of haulers, it should keep its options open for trash collection.

Probe interest for organized collection – Staff could begin probing interest of the community in moving towards an organized system. This could take multiple forms including online conversations and surveys, phone surveys, and in person

meetings such as open houses. This approach would allow the Council to better understand community opinion on the issue prior to determining how to proceed.

Begin process of organized collection – If the Council believes that this is an issue that merits immediate action, it could direct staff to proceed immediately.

What are others doing?

Elk River – The City contracts with two haulers, each covers approximately half of the community. The contract is with Randy's and Allied Waste and is a 10-year agreement beginning in 2012. Trash services are about \$7 monthly and recycling is 3.25 monthly.

Monticello – Garbage is provided by Advanced Recycling on a contractual basis with the City. Solid Waste was \$7.89 per month and Recycling is \$2.85 per month in 2015. Advanced Recycling was charging between \$12.66 and \$15.99 per month for solid waste in Big Lake depending on container size, and they were charging 6.25 per month for recycling in Big Lake.

Becker – Becker does not contract with any hauler and has a process similar to what Big Lake currently has. There are currently five garbage providers serving Becker.

State Wide – The most recent information at an aggregate level is a 2009 MPCA study which indicated that 20-35% of cities have an organized collection system while 65-80% remain with open systems.

What does a process to make a change look like?

If the city were comfortable moving forward with a process to begin organized collection, there are a number of steps to be completed.

- First the City must notify via mail all local solid waste haulers of intent to consider organized collection.
- The City must provide for a 60 day negotiation period between the city and any solid waste haulers operating in the city.
- The City must either reach an agreement with the haulers or form an “organized collection options committee” to study solid waste options. The committee must examine possible methods, selection criteria, operation and efficacy of existing methods and input collection from the Council, city staff, solid waste haulers and residents.
- The organized collection options committee is considered by the Council and a public hearing is held to get public input.
- With an affirmative Council vote, implementation could take place at this point.

Next steps

The Council should discuss whether or not this is something that it is interested in pursuing. If it is interested, the Council should direct staff on which option to proceed with.