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**CITY COUNCIL
COMMUNICATION:**

ITEM _____

01-116

OFFICE OF THE CITY MANAGER CITY OF DES MOINES, IOWA

AGENDA:

SYNOPSIS -

MARCH 12, 2001

On November 6, 2000, by Roll Call No. 00-4288, the City Council authorized staff to negotiate a 28E Agreement with the Metro Waste Authority (MWA) for lease and operation of the City's compost site at SE 15th & Harriet Street. Those negotiations have been completed, and a proposed 28E Agreement has been prepared for approval by the City

SUBJECT:

28E AGREEMENT
WITH METRO
WASTE AUTHORITY
ON LEASE OF
COMPOST SITE

The proposed 28E Agreement provides, in part, for the following:

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

- A term of three years commencing April 1, 2001 and continuing through March 31, 2004.
- Passing through four full-time employee staff costs necessary to process compost to MWA, approximately \$210,000 annually.
- Annual debt service payments by the MWA for the term of the lease, approximately \$42,000 annually.
- Payment to the City of \$53 per ton for leaf and yard debris delivered to the site, providing an estimated \$800,000 annually in revenues to the Solid Waste Enterprise Fund, \$200,000 over anticipated expenses.
- Purchase of existing equipment at the site by MWA at a fair and reasonable price.
- Unified yard waste bag program wherein Des Moines residents, like other metropolitan area residents, will pay \$1.50 for yard bags or \$.90 for stickers.
- Finished compost will be provided free at the Harriet Street location to Des Moines residents on an as-available basis.

SUBMITTED BY:

**WILLIAM G. STOWE
PUBLIC WORKS
DIRECTOR**

FISCAL IMPACT -

Lease of the City's compost site will have the following fiscal impact:

- The MWA will pay the annual debt service, approximately \$125,000 over the term of the lease.
- The MWA will pay the City \$53 per ton for a total annual

estimated tonnage of 15,000, or approximately \$800,000 per year.

- The MWA will pay the City a fair and reasonable price for existing equipment, which is estimated at \$200,000.
- For the term of this agreement, yard bag and sticker fees paid by Des Moines residents will not exceed \$1.50 and \$.90 respectively. In addition, a \$.90 sticker would be required on bundled brush.
- Elimination of the City's annual operating costs for the compost facility.
- Solid waste user fees in Des Moines will be stabilized at \$10.25 per month through June 30, 2004.

RECOMMENDATION -

Approval.

BACKGROUND -

In 1989, the State of Iowa passed legislation that prohibits the landfill disposal of yard debris. The law was effective January 1, 1991. To comply with this law, the City initiated a separate collection of yard debris for residential properties and constructed a yard debris processing facility. The separate collection program began in October of 1989.

Since 1989, various collection and processing programs have evolved in the Des Moines area. The programs have included many types of stickers and bags.

The MWA has proposed a standardized program for participating metropolitan communities. Any resident of a community participating in the MWA program will use an approved bag or sticker to fund the collection and composting services. The bags are to be priced at \$1.50 each within all communities participating in the MWA program. Stickers at a cost of \$.90 each are to be placed on all bundled brush.

By approving this Agreement, the City Council will both reduce operating expenses and provide a revenue source for the City's Solid Waste Enterprise Fund.

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