

MINUTES
MONROE COUNTY SOLID WASTE MANAGEMENT DISTRICT
BOARD OF DIRECTOR'S MEETING
Nat U. Hill III Meeting Room, Monroe County Courthouse
Bloomington, Indiana
Thursday, August 6, 2009 11:30 a.m.

Members present: Iris Kiesling, Mark Kruzan, Geoff McKim, Patrick Stoffers, Mark Stoops, Steve Volan.

Members absent: Dan Swafford.

Staff present: Larry Barker, Executive Director, Tom McGlasson, Environmental Compliance & Safety Director and Landfill Director, Shirley McMurry, Controller, Brenda Strauss, Director of Employee Services and Administration.

Legal counsel present: Bob Mann.

CAC present: Steve Akers, Marianne Aurich, Brian Cox, Kyla Cox, Brian Taylor.

Chairperson Stoffers called the meeting to order at 11:34 a.m.

Approval of Minutes – June 7, 2007. McKim motioned to approve; Volan seconded. The verbal vote was four ayes (McKim, Stoffers, Stoops, Volan) and one abstention (Kiesling).

Controller's Report - Payroll, Claims and Cash Flow. Kiesling motioned to approve; McKim seconded. McMurry reported total payroll and claims to be \$320,923.83. The verbal vote was unanimous.

McMurry reported on cash flow saying things are in order and she is predicting a healthy balance at the end of the year.

PUBLIC HEARING – 2010 Budget. McMurry said she used a levy increase of 3.8% but it does not include any increases in orange bag revenue. With an increase in orange bag revenue (Resolution 2009-07, next agenda item) the difference would be about \$59,000. The budget also reflects a small reduction in

health insurance. The budget supply lines are being reviewed to separate out our orange bag purchases, electronic disposal, glass disposal and everything collected at HHW. Overall the 2010 budget is down about \$25,000 for expenses.

Kruzan arrived 11:40 a.m.

Kiesling and Stoops discussed yard waste going in with trash and HHW.

McMurry said we budgeted for a new vehicle in this year's (2009) budget but the Landfill required more money than expected and we had to use capital outlay dollars. We're hoping we can find a good used Admin van in 2010 and we are trying to sell our current van and use that money also to buy the used van.

McMurry said she met with CAC about the budget but a joint meeting did not take place. The budget did not get prepared timely enough to have the meeting.

The vendor handling discount is paid to orange bag distributors for their service in stocking and distributing orange bags.

This year's budget process includes a new step. There will be two hearings with the District Board and a week or so later the budget will go to County Council. If we stay within minus one of the growth quotient the County still has to review and approve our budget.

McMurry will send the Board the personal services budget for 2010.

The budget line (43140 Laboratory) was increased for leachate treatment and ground water sampling. There are several tests needed this first year with the new leachate plant but this line could be reduced next year. The costs for hauling and disposal permits for leachate (43931) went down.

Resolution 2009-07 – Amendment to Fee Resolution. Volan motioned to approve; Stoops seconded. Barker said we took the Board's direction and revisited the Resolution. The orange bag program is the program that needs the increase. We propose to increase the large bag to \$12.50 per roll and keep the small bags at \$10.00 per roll. The rationale behind this is to generate more recycling.

The verbal vote to amend the Resolution was unanimous (Kruzan, Kiesling, McKim, Stoffers, Stoops, Volan).

McMurry said the difference in revenue will be about \$13,000.

The roll call vote to approve amended Resolution 2009-07 was five ayes (Kruzan,

McKim, Stoops, Kiesling, Volan) and one nay (Stoffers). Motion carried.

Business Plan for a Materials Recovery Facility (MRF).

Barker presented the Business Plan using power point slides of each document. The Plan is attached as a part of these minutes.

Stoops noted for the record that the actual recyclable tonnage collected in 2008 was 2,555 tons not 255,000, as Barker stated.

Barker said the most critical part of the plan is the revenue generated from sale of recyclables. We have taken a mid-line approach with these numbers. If the market dropped by 35% we would still be in a better situation than we are today.

Barker said we are a proactive community. Education helps us to do the right thing – a MRF would be a positive impact on the community.

Barker said there is no reason why we cannot work collectively with other Monroe County entities. A MRF would not only recover our current recyclable items but would be a segway into the future recycling of yard waste, food scraps, and other compostable waste, also carpeting, polystyrene, and mattresses.

Volan said commodities market bottomed out in October 2008 and December was worst of all. There was discussion about markets and different scenarios.

Discussion ensued with questions and answers:

The mortgage is set every five years and interest can increase up to 6% over the total period of the loan. Barker said we need to discuss this. We could do a lease with an option to buy. Due diligence is important.

The MRF facility would be a clean facility with no composting operation. Composting will go to another site, maybe Fish Road.

There will be three balers - two balers will handle fiber primarily and one baler will handle plastics. The purchase of the balers is over five years.

No additional personnel will be needed. The MRF would be staffed with five employees – the three GBN staff and two more from Central Station. Two employees would staff Central Station.

We would not use South Walnut as a processing facility so we would not need equipment there. We have a contract with Hanna to remove snow.

It is important to have the right baler for the right job. A trash baler should not be used to bale recyclables. Each baler will come with a maintenance contract.

Quincy bought out South Central Recycling and is a predominate player in the recycling world.

A community that processes their own recycling is a more resilient community – this is a good thing.

Looking at details of market values in different scenarios we should not assume the market is always going to be this low.

Barker said currently Hoosier Disposal's trash volume is about 13,000 tons down from what it was last year. One reason could be that the community is more aware of recycling and not generating as much trash. IDEM requires the waste stream be tracked. Recycling is not tracked.

A cooperative MRF with other counties is a long term vision. We could be a recycling hub just like we are a hub for HHW disposal programs.

The contract with Quincy is 100% of market value for three years.

The normal life expectancy of the balers is ten years depending on maintenance and care. After five years they will be paid for and then there is another five years of just maintenance costs.

The proposed site(s) of the MRF operation must meet zoning requirements.

A potential negative impact is that small haulers may loose recycling customers because the MRF will be open to the public.

Having a MRF will place the District in a much better financial position in the event the tax levy is reduced or eliminated.

Because Hoosier Disposal has given us an all or nothing proposal there is concern that the City may feel some repercussions in their dealings with Hoosier Disposal.

Hoosier Disposal currently operates a MRF on South S.R. 37. The District has five collection sites for recyclables.

The costs to purchase a building and balers would be capital costs and are wrapped into operating costs. The practical out of pocket cost would be about \$7500 or \$8000.

We didn't bring the MRF to South Walnut Street because Rumpke said they could do the MRF and we had a short lot. There were personnel issues on South Rogers and other reasons, noting the District's mission as education – it was best to concentrate. This is an apples to orange thing, it is different, even the philosophical approach is different.

Kruzan complimented the Plan saying it gives options and scenarios and makes a compelling case for doing a MRF. What do we do in a catastrophic failure what happens to the facilities and properties? The Plan needs to include what happens if something goes wrong. This should not stop us from moving forward but he wants to know what we would do if we give this a go and it doesn't go.

Kruzan asked what determines the market price. Barker said commodity markets are broken out by region – we are in the Midwest Region and our prices come out of Chicago. There is no required permitting from the State. A transfer station would require a permit from IDEM. A multicounty MRF would not constitute a legal difference because we are only moving commodities. The more material we have the better. Composting requires a permit. Composting is a part of the District but it would not be done at the MRF. The MRF will be a clean operation.

McKim asked if the Business Plan has been vetted by any other MRF operations around the State. It would be valuable for us to do this.

Stoffers talked about Appendix 2. The marketing rights from Quincy are for three years contingent upon our lease/purchase of balers from them. This may or may not be the same terms if we get our balers elsewhere.

Kiesling said 35,000 to 40,000 of new people coming into our area every year is a challenge.

Public comment:

Steve Akers, I.U., associate director in the residence halls system and CAC member, said he is very interested to see a MRF come on line. He is concerned with the contract with Hoosier Disposal regarding costs and how material is handled. When asked by students he cannot tell them how the material is handled. He cannot speak for the whole university about becoming a MRF customer but all are interested at looking at alternatives to control costs and reducing our carbon footprint. Bill Brown, director of I.U.'s sustainability task force, is interested in coming on-line with the MRF and improving the relationship between the City and County and becoming more of a partner. Thanks to Larry Barker for developing this great plan.

Brian Cox, co-chair of the CAC, thanked Barker for the worthwhile plan. A MRF will reduce costs for the community and will enhance the integrity of recycling. It is a common sense plan.

Kyla Cox, secretary of the CAC, thanked the District and the Board for reviewing the MRF Plan. A MRF is a great opportunity to take control of our commodities. Our hands are tied by an outside agency now and we can do this ourselves. The City needs to look at apartment recycling and recycling plastics 3-7. Barker is aware of these concerns. This is a step forward.

Marianne Aurich, CAC member, said construction waste needs to be added to this Plan. There is worthwhile construction material going to the Landfill. Other municipalities have programs to handle left over construction material. This is a great plan.

Jim Shelton, Chamber of Commerce, encourages checking out other communities MRF experiences. It looks interesting as it is but he is concerned about any risks we have not talked about.

Kruzan confirmed the Business Plan will be on-line shortly.

Stoffers referred to the last column on the spread sheet showing \$121,701 in savings. Does this mean the District intends to reduce their tax status by this amount of money? Barker said he would like to see it put toward other programs such as composting and construction debris. Kruzan said the spread sheet is just showing a comparison. McKim said we're going to start feeling the bite of property tax caps and this may provide an opportunity to off-set that negative impact.

Barker said due diligence, vetting with other MRF operations, and collaborating with the stakeholders (I.U., City, Hoosier Disposal, District) is what we need to do. This is a very good start but more study is needed. We need a buy-in from the stakeholders. It is recommended the 2010 budget reflect \$10,000 in seed money if the joint feasibility study is successful. He requested express authority from the Board to proceed with the feasibility study.

McKim motioned that District staff will continue the investigation and study of the feasibility of a community MRF; Stoops seconded. The verbal vote was unanimous.

Contract Status for Recycling and Transportation.

Barker said there are no negotiations on the table to talk about. The District recommends working with Hoosier Disposal to come up with a suitable contract and if negotiations cannot be made we will look at other sources to handle our recycling and transportation.

Stoops said he believes we are losing a lot of money to trash haulers taking our trash out of county. Hoosier Disposal rates continue to go up and this is a concern for haulers and others. Why not allow another transfer sight to be created to capture the trash taken out of County? Barker said Hoosier currently has the only transfer station in Monroe County. We would have to select the land and then get approval of the transfer station and proper permitting from Monroe County and IDEM. Stoops said our contract with Hoosier locks them in as the sole provider of our trash hauling. We recently decided not to pursue their all-or-nothing response to our RFPs. Barker said Hoosier guaranteed they would accept our trash for 20 years after the Landfill fire in 2004. Other haulers could not service this market area (non-competes) for a number of years. Now other transfer stations can be explored even outside Monroe County and one company has expressed interest in creating a transfer station in Monroe County. Barker said we should continue negotiating with our current provider and if negotiations cannot be reached then the

District will look at other providers.

Stoops asked the next step for companies who want to establish a transfer station. Barker said they would find a suitable location and then move forward with County and State processes and approvals.

Barker said a deadline for negotiations is needed; the contracts end August 31. Stoffers said he and McKim will take the lead with the negotiations.

CAC Membership. Strauss introduced Jennifer Larson, as a possible new member. Larson submitted her statement of interest and the CAC discussed her membership and sends their positive recommendation to the Board. Kruzan motioned to approve Larson's membership to the CAC. The verbal vote was unanimous.

Reports from Staff.

McGlasson added nothing to his written report but did speak to the on-going performance and successful operation of the on-site leachate treatment system. McGlasson's report is attached as a part of these minutes.

Barker said the District's next Bulky Item Days event will be August 28 and 29. Many thanks to the Monroe County Highway Garage, the Monroe County Fair Board and to Hoosier Disposal for their participation in making this event possible.

Barker said glass at the rural sites are separated into two categories, clear and color, so glass will generate more revenue at market.

Strauss discussed the application recently made with Indiana Benefits, Inc., as a third party administrator for the District's retirement plan. With this change in administration we would also change investment advisors. There would be a cost savings and an improvement in customer service. A point paper was distributed and is attached as a part of these minutes.

Citizen's Advisory Committee. Kyla Cox, Secretary said the CAC members are looking forward to participating in Bulky Item Days. The CAC membership represents a broad brush of our community .

Public Comment. There was no public comment.

The meeting adjourned at 1:30 p.m.

Unless otherwise stated, all documents referenced in these minutes are considered a part of these minutes and are on file in an official record book in the District office. These minutes were offered for review to all Board members and Staff members who attended

and participated in the meeting.

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