



City of Milwaukee

200 E. Wells Street
Milwaukee, Wisconsin
53202

Meeting Minutes RECYCLING TASK FORCE

PRESTON COLE, CHAIR

Ald. Joe Dudzik, Michael J. Daun, Lisa Schaal, and Erick Shambarger

Staff Assistant, Terry MacDonald

Phone: (414)-286-2233; Fax: (414) 286-3456, E-mail: tmacdo@milwaukee.gov

Monday, July 27, 2009

1:30 PM

Room 301-A, City Hall

Meeting convened: 1:32 P.M.

1. Roll call

Present 5 - Cole, Daun, Dudzik, Shambarger and Schaal

Also present: James Carroll, Legislative Reference Bureau, Jim Michalski, Comptroller's Auditing Division, Wanda Booker, Dept. of Public Works and Rick Meyers, Dept. of Public Works

2. Approval of the minutes of the June 8, 2009 meeting

Ald. Dudzik moved approval of the minutes, Mr. Daun seconded. There were no objections.

3. Presentation give by Mr. Perry Lindquist, Waukesha, County, Dept. of Parks and Land Use relating to a Waukesha County Recycling System Study

Mr. Cole introduced Mr. Perry Lindquist, Land Resources Manager with Waukesha County.

Mr. Lindquist gave a PowerPoint presentation titled: Waukesha County Recycling, Looking Ahead (Exhibit 1). The presentation consisted of Background on Waukesha County's recycling program; Waukesha County's MRF - Options for the future (2007 study findings/recommendations) and on the similarities between Waukesha County and the City of Milwaukee's recycling programs.

Mr. Daun asked what Mr. Lindquist thinks the timeframe would be to design a recycling facility?

Mr. Lindquist replied that realistically it could take until the year 2012 to get something up and running.

Mr. Shambarger asked how did Mr. Lindquist decide on the Wauwatosa site as a potential site for the consolidation?

Mr. Lindquist replied that the Wauwatosa site that is available seems like a good site because it was conveniently located, but once the study takes place the researchers may find another site that may work better.

Mr. Daun asked if Mr. Lindquist has an idea what the cost of the study would be?

Mr. Lindquist replied in the negative.

Mr. Shambarger asked Mr. Lindquist if he knows what the distances are from the Waukesha's current site to the site located in Wauwatosa and to the Germantown facility?

Mr. Lindquist replied in the negative.

Mr. Cole asked Mr. Lindquist what are the problems that Waukesha has with hauling to a privately run recycling facility?

Mr. Lindquist replied that the cost for Waukesha to a haul to a private facility would be high. He said if a partnership doesn't happen between Waukesha, Milwaukee, etc. Waukesha would probably have to go with hauling to a private recycling facility.

Mr. Meyers appeared and asked Mr. Lindquist if the existing Waukesha recycling facility would become a transport facility?

Mr. Cole thanked Mr. Lindquist for coming and said that it isn't in the purview of this task force to approve entering into a partnership contract. He said it may be a recommendation by this task force to the City of Milwaukee Common Council.

Roll call taken at 2:45 P.M.

Present 4 - Cole, Daun, Shambarger and Schaal

Excused 1 - Dudzik

4. Discussion relating to the Milwaukee and Waste Management Regional Recycling facilities

Mr. Cole asked the task force members if there are any questions or comments regarding the recycling facilities tours.

There were none.

5. Discussion relating to the scope of work for the consultant study on a single stream recycling operation vs. dual system recycling operation

Mr. Cole called Mr. Donald F. Pirrung, P.E., Senior Engineer and Consultant for Earth Tech/AECOM to come to the table to give an overview of the scope work for a recycling study.

Mr. Pirrung handed out an overview of the scope of work that he prepared for a City of Milwaukee Recycling Facility Study (Exhibit 2).

Mr. Pirrung explained each of the following recycling alternatives: A. Evaluate Dual Stream Recycling at City's Milwaukee Recycling Facility (MRF); B. Evaluate Single Stream Recycling at the City's MRF; C. Evaluate Two City Transfer Stations with direct hauling to Germantown and No City-owned processing facility and D. Evaluation regional MRF in Wauwatosa to Serve Waukesha County, City of Wauwatosa and City of Milwaukee.

Mr. Pirrung said the study would also review the impacts that implementing the measures to reduce landfill tonnage will have on a residential recycling program.

And, lastly, Mr. Pirrung explained the time schedule of a study.

Mr. Cole said that if there is no substantive changes or objections, he and the Comptroller's Office will pursue entering into a service order agreement with Earth Tech/AECOM to begin doing a City of Milwaukee Recycling Facility Study. There were no changes offered. There were no objections by task force members.

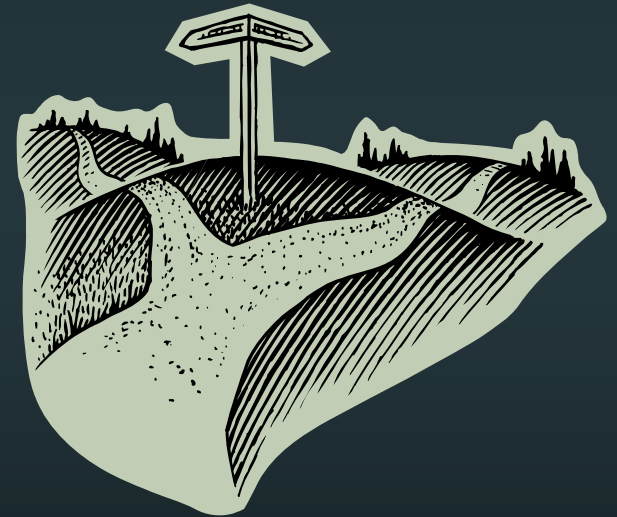
Meeting adjourned: 2:51 P.M.

**Terry J. MacDonald
Staff Assistant**

Waukesha County Recycling

Looking Ahead

Perry Lindquist, Land Resources Manager
Waukesha County Dept. of Parks & Land Use



July 27, 2009
Milwaukee Recycling Task Force

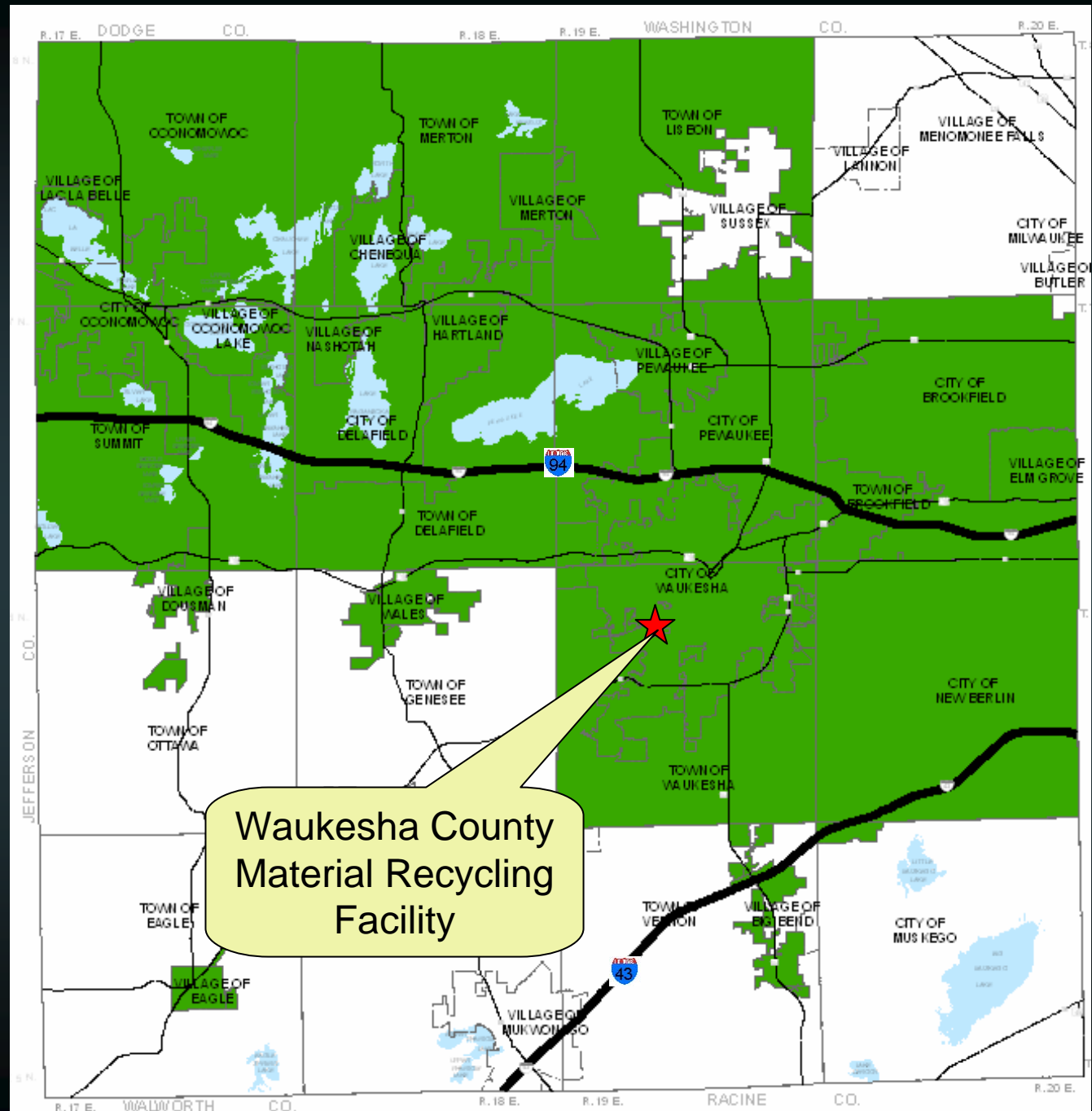
Presentation Outline

- Background on county recycling program
- County MRF - Options for the future
 - 2007 study findings/recommendations
- Similarities to City of Milwaukee
 - How can we work together/next steps

Background on County Program

- Waukesha County is “Responsible Unit” for 25 communities (since 1990)
 - Pool state grants (\$1 million/yr)
 - Coordinate education program
 - Pay for blue recycle bins
 - MRF investment/risk, oversight, maintenance
- County-owned/privately operated MRF
 - Dual-stream system (paper & containers separate)
 - Average 23,000 tons/year of recyclables
 - Last expansion in 1995

Participating Municipalities



Waukesha County
Material Recycling
Facility

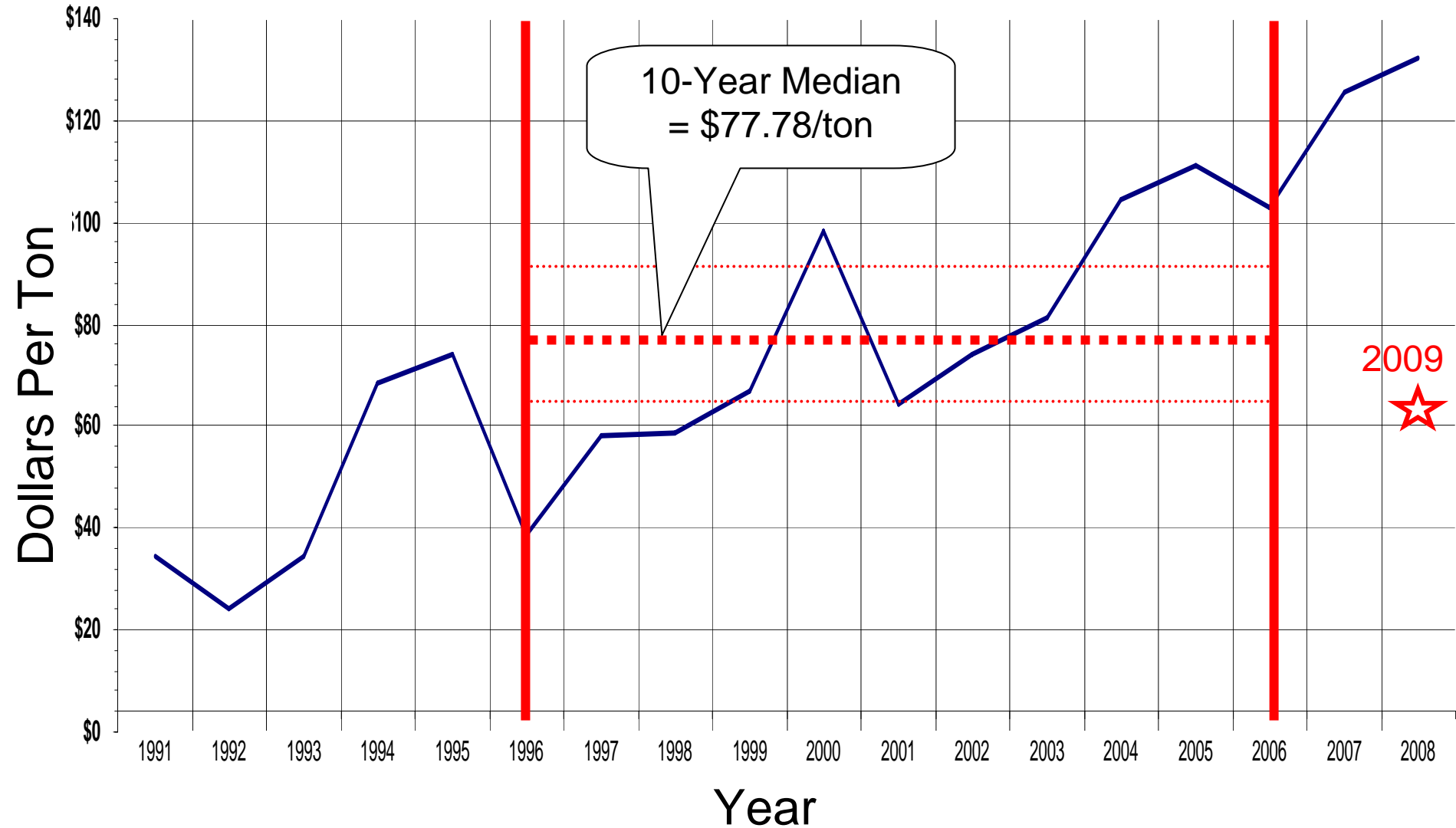
Background on County Program

(continued)

- 25 Participating Communities must:
 - Collect dual stream recyclables
 - 88,000 households (pop. 270,000)
 - \$12 million/yr. in private contracts (\$3.5 mil. recycle)
 - Deliver recyclables to county MRF
 - Report program costs to county/annual grants

Total Revenue Per Ton Shipped

Waukesha Co. MRF 1991-2008



County MRF: “Enterprise Fund”

- Self-sustaining – no tax levy or processing fees to communities (up front County loan paid off)
- Revenues: material sales (50%), state grants & operator processing fees (up to \$6.50/ton)
- Current fund balance = \$11 million:
 - Good markets and competitive operating contracts
 - Distributions to communities of \$6.2 million in the last 9 years + \$1 million for 2010 (proposed)
 - 2012 Projected Fund Balance: \$11-13 million
 - Assume continued state grants of \$1 million/yr., material sales of \$700K./yr. and community dividends of \$1 million/yr.
 - Use to pay for future MRF investments

Waukesha County Recycling System and Capacity Study Final Report



Presented to:
Waukesha County



Prepared by:
RRT Design & Construction



GERSHMAN, BRICKNER & BRATTON, INC.

September, 2007

2007 Study

Waukesha County Recycling System

Study: Existing Dual Stream MRF Capacity

- Can handle future dual stream program for the short term
- However, some major issues need to be addressed:
 - Sort line
 - Tipping floor
 - Bale storage



Plastic Containers Overwhelming Sort System



Tipping Floor Space is Limited

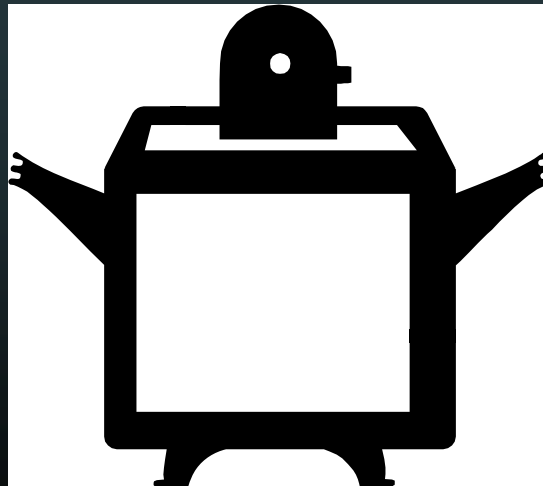


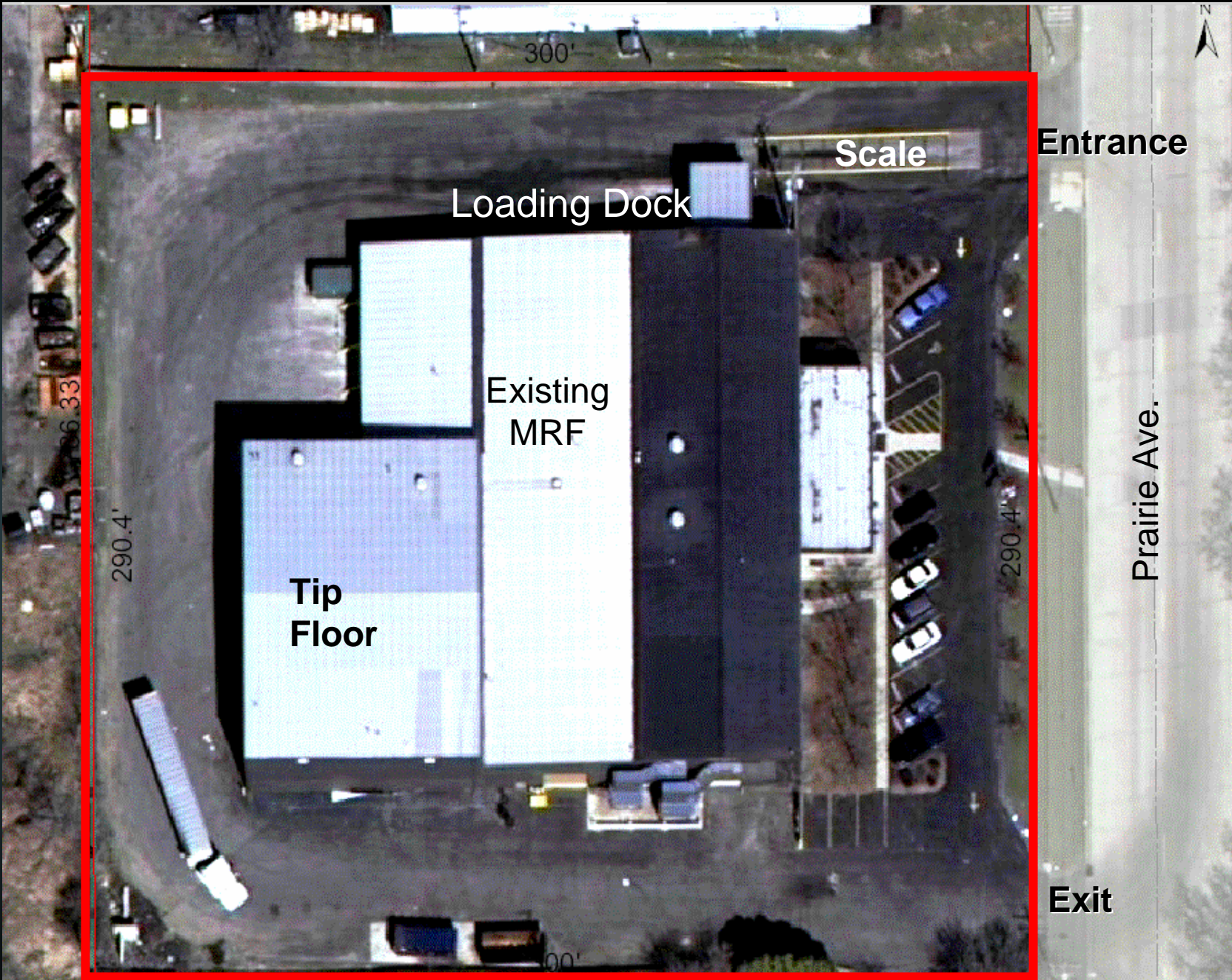
Bale Storage is Inadequate



Study: Existing Dual Stream MRF Capacity (cont.)

- Must expand MRF or build new in future
- Cannot expand MRF on current 2-acre site, because...

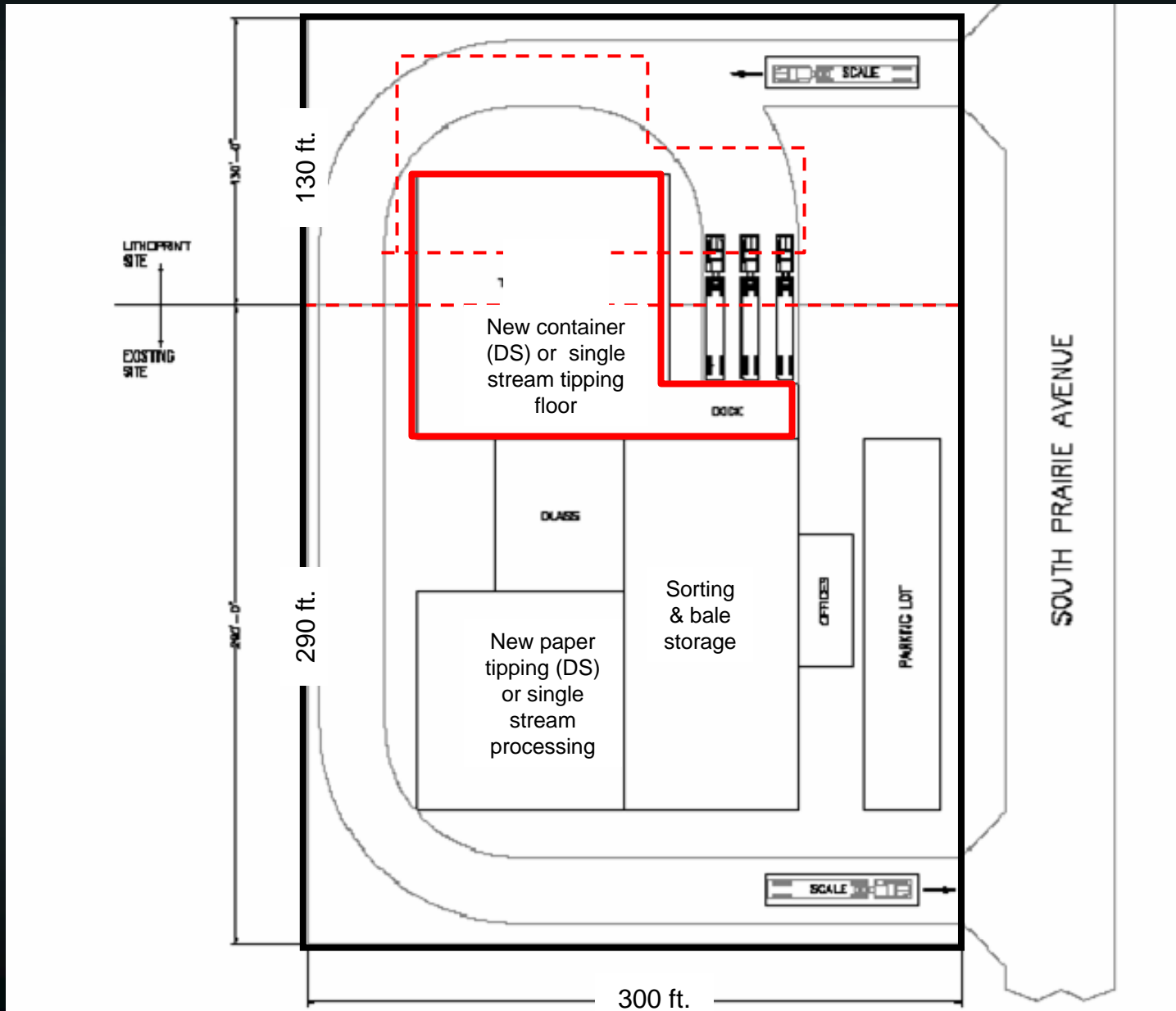




Possible MRF Expansion

- If 1 acre site to the north purchased, limited expansion is possible
 - Tipping/storage areas/new equipment
 - Could also convert to single stream
- Industry trends & community pressures to switch to Single Stream will influence future decisions

Concept Drawing – North Expansion (single or dual stream)



Possible MRF Expansion (cont.)

- Estimated costs:
 - Dual stream: \$6.5 million + property/business
 - Single stream: \$7.0 million + property/business
- However, the expanded site could not handle a very large increase in tonnage

Recyclables Collection

Dual Stream vs. Single Stream



Existing program (blue bin)

(manual/paper & containers separated)

Industry trend (cart)

(automated/all recyclables mixed)

SS Pros (Collection) vs. Cons (MRF Impacts)

**Single Stream Collection
Cost Savings**

Single Stream MRF Impacts

Collection Trends/Pressures

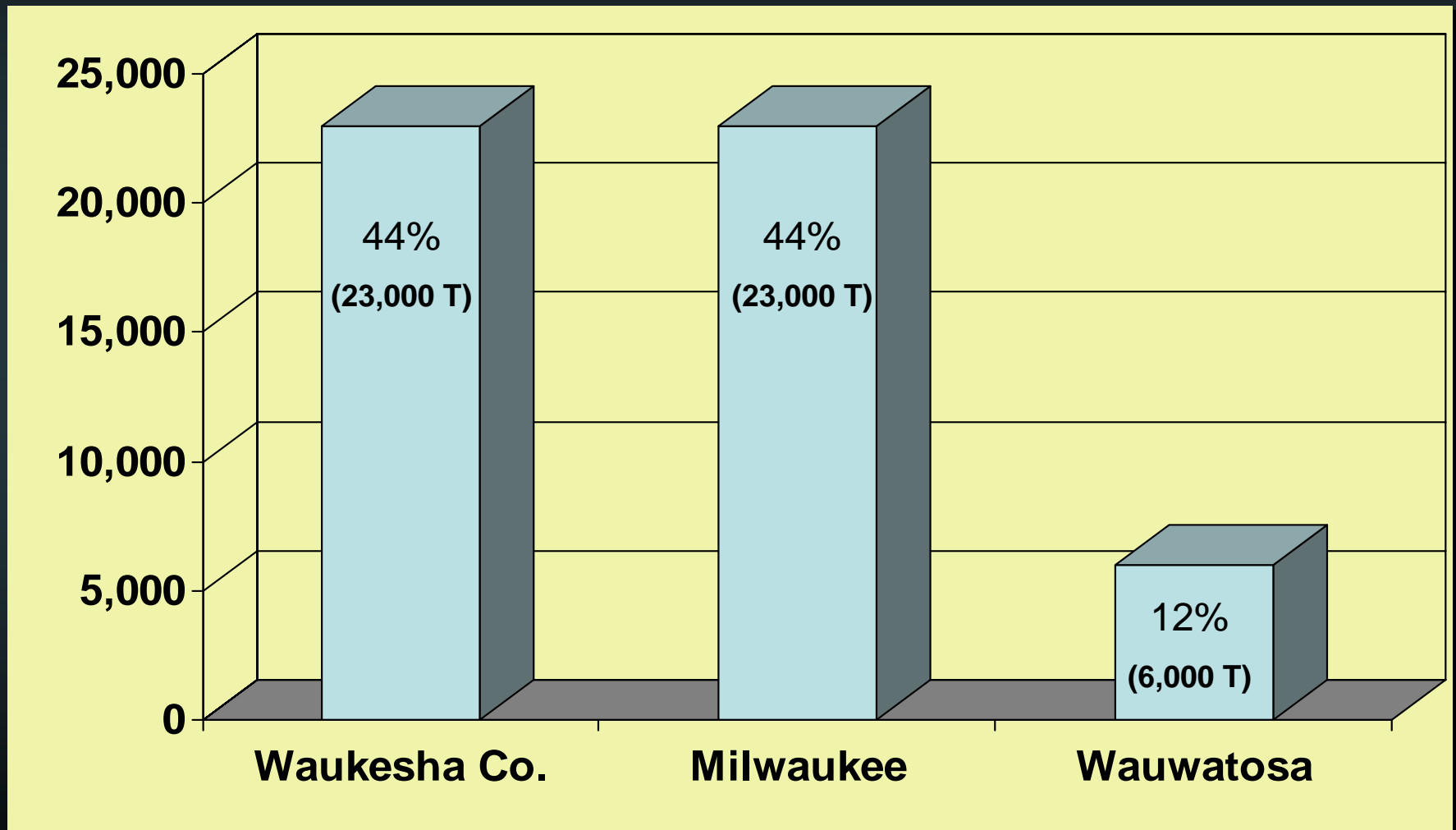
- Private haulers are pushing for Single Stream collection to save money
 - Trend is playing out nationwide
 - >100 SS MRFs (25% in 2008)
 - Locally, only 1 of 3 private haulers (Veolia) still offers dual stream collection
 - Waste Mgt. and Johns already switched to SS
 - 3 participating communities without hauling contracts already switched to SS (problem)
- More communities want to switch to SS

Scenarios for Future Projections:

- Tonnage
 - Participating county municipalities (25)
 - Adding non-participating communities (12)
 - Adding Milwaukee & Wauwatosa
- Single vs. Dual Stream



Annual Tons Recycled (52,000 Tons)*



*Rounded from 2008 data (no other communities included with City of Milwaukee data)

Key Study Findings & Recommendations

1. Switching to Single Stream is strongly recommended

- Pros far outweigh the cons
- Could save partic. communities >\$700,000/year in collection & disposal costs
 - 10% or \$12.36/HH/Year savings (minus cart \$)
- Needs all new MRF equipment/more space

2. Recycling tons increase considerably with a Single Stream system – assumed + 25%

- In-county data shows 45% increase/capita

Key Study Findings & Recommendations

(continued)

3. Doubling tonnage greatly improves the economics of a Single Stream MRF
 - 2 shifts = much faster return on investment
 - New site needed to double tonnage
4. National MRF data shows:
 - SS paper/fiber is equally marketable
 - Increased residue from SS depends on public education (projected increase from 3% to 10%)

Single Stream Options

(2007 Costs & 2010 Projected Tonnage)

1. **Expand/Convert Current MRF:**

- Participating Municipalities only (30,565 tons)
- Acquire/relocate Lithoprint
- Estimated bldg. costs = **\$7 million + Lithoprint costs**
- Projected annual net revenues = **\$0.12 million**

2. **Build New Regional MRF (publicly-owned/privately operated):**

- Add tonnage for 2 shifts (76,066 tons - NP/Tosa/Milw)
- Estimated building costs = **\$8.25 million + land**
- Projected annual net revenues = **\$1.7 million**

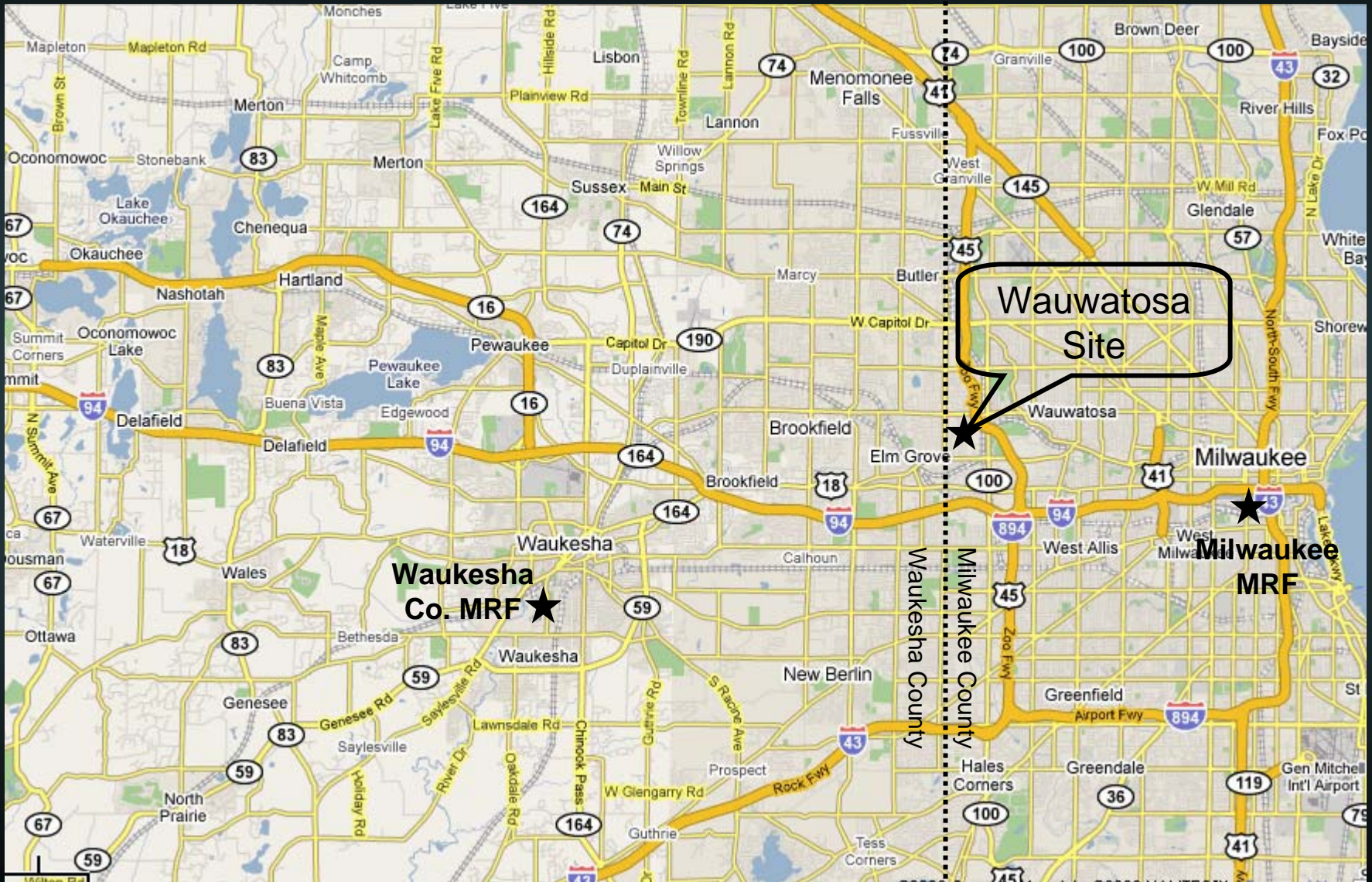
3. **Send recyclables to privately-owned MRF**

- Costs unknown (RFP process)

County Response to Private MRF Option

- Existing County MRF is already privatized
 - Public ownership of the facility (40% nationally)
 - Private operation & marketing/good competition
- Public/private partnership has been very successful
- **Privately-owned MRF does not ensure long-term competition/price stability for communities**
- Having a publicly-owned/privately operated MRF in SE helps keep costs down for all communities

Possible Regional MRF Location



Single Stream Economic Summary

(Revenues & expenses to be prorated to participating communities)

- Projected 2010 NET revenues from a Regional Single Stream MRF are 14.5 times larger than converting county MRF to single stream
 - \$1.7 million (regional/76,066 T) vs. \$0.12 million (county/30,565 T)
 - 6 times larger for Waukesha Co./Milwaukee (44%)
- Payoff of capital costs (\$8.25 million) for a new Regional Single Stream MRF = 5 years
- Payoff of capital costs (\$7 million) for converting county MRF to single stream = 58+ years

Summary Look at the SS System

- Collection: Savings in collection costs and landfill disposal costs (reduced trash)
 - >\$700,000 per year for partic. municipalities
- MRF: **It's all about the tons!**
 - 2.5 times tonnage = 10 times faster return on investment

Similarities:

Waukesha Co. & City of Milwaukee

- Publicly-owned dual stream MRFs
- Tonnage processed (23,000/yr.)
- Aging facilities facing costly updates
- Pressures to improve program efficiencies
- Pressures to switch to Single Stream:
 - Reduce collection & landfill disposal costs
 - + Increase recycling rate
- Concerns about future price stability
- 14-year history of coordinating education efforts

Why Work Together?

(Regional Single Stream MRF)

1. Lower costs/ton - capital and O & M
2. Better return on investments/reduced risk
3. Long-term price stability
4. Good example of regional cooperation
5. Both MRFs already publicly-owned and privately operated
 - no threat to private sector



Next Steps, Issues & Timelines

- Commit to joint study (ASAP):
 - Milwaukee, Waukesha Co. & Wauwatosa
- Establish scope of study/write RFP (fall 2009):
 - Refine & update economic analysis
 - I.D. financial options (sharing costs & revenues)
 - Technical investigation of Tosa site
 - Transportation issues
 - Concept plan/budget
 - Institutional options (ownership, contracting, etc.)
 - Collection or other issues?
- Release RFP & hire consultant – early 2010
- Complete study by end of 2010

Questions ?

Perry Lindquist, Land Resources Manager
Waukesha County - Dept. of Parks and Land Use
Room 260 Administration Center
515 W. Moreland Blvd., Waukesha WI 53188
plindquist@waukeshacounty.gov
262-548-7867

SS Pros (Collection) vs. Cons (MRF Impacts)

Single Stream Collection Cost Savings	Single Stream MRF Impacts
<ul style="list-style-type: none">• Automation decreases personnel costs (workers comp claims, etc.)	<ul style="list-style-type: none">• Increases MRF labor and capital costs
<ul style="list-style-type: none">• Large cart allows Every Other Week collection of recyclables	<ul style="list-style-type: none">• Increases residue level at MRF (non-recyclables)
<ul style="list-style-type: none">• Flexibility: <u>Can use compaction vehicles to reduce capital & trips to the MRF</u>, more households per route – faster collection	<ul style="list-style-type: none">• Potential for decreased quality of processed recyclables (glass/paper)
<ul style="list-style-type: none">• Higher rates of recycling & <u>reduced landfill disposal costs</u> – easier for the general public to implement (no sorting)	<ul style="list-style-type: none">• <u>Higher recyclable volumes to process</u>• Increased net cost per ton processing

All of these factors were built into the economic analysis

City of Milwaukee Recycling Facility Study
Prepared by: Donald F. Pirrung, P.E.
AECOM
July 27, 2009

A. Recycling Alternatives

◆ **Alternate A: Evaluate Dual Stream Recycling at City's MRF**

- Estimate Equipment and Installation Costs
- Evaluate Collection of Recyclables
- Estimate Equipment (Trucks, Carts), Facility Repair, Maintenance, Labor and Fuel Costs for Three Options
 - Monthly Collection as Currently Practices
 - Three-Week Collection
 - Two Week Collection
- Address Costs, Pros/Cons

◆ **Alternate B: Evaluate Single Stream Recycling at the City's MRF**

- Evaluate Using Same Approach as Alternative A

◆ **Alternate C: Evaluate Two City Transfer Stations with Direct Haul to Germantown and No City-Owned Processing Facility**

- Consider use City's MRF as Transfer Station
- Consider Using Existing Lincoln Avenue Transfer Station for Recyclables Receiving and Transfer
- Develop Costs Including Capital, Operation and Maintenance for a New Transfer Station serving the North Side
- Address Costs, Implementation Aspects, Pro/Cons

◆ **Alternate D: Evaluation Regional MRF in Wauwatosa to Serve Waukesha County, City of Wauwatosa and City of Milwaukee**

- Use Waukesha County 2007 Report for Cost Information
- Address Costs, Implementation Aspects, Pros/Cons

B. Other Considerations

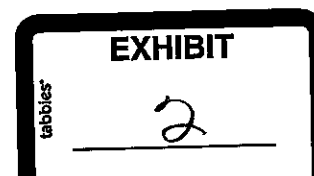
◆ Discuss impacts that implementing measures to reduce landfill tonnage will have on residential recycling program:

- "Pay as you throw" Program
 - Offsets Higher Solid Waste Fees
 - Encourages Recycling
 - Reduces Solid Waste Tonnage

◆ Summarize Results of Alternatives

C. Schedule

- | | |
|-------------------------------|-----------------|
| • City Notice to Proceed | July 27, 2009 |
| • Submit Draft Report to City | August 14, 2009 |
| • Meet with City | August 21, 2009 |
| • Submit Final Report to City | August 28, 2009 |



Proposed Matrix of Consultant Scope of Work Related to the City's Residential Recycling Program

14-Jul-09

		<h1>Processing</h1>			
		Current Site (City's MRF on Mt. Vernon Ave)	Transfer Stations (haul to 3rd party)	Publicly Owned Regional Facility (Wauwatosa)	
<h1>Collection</h1>	Dual Stream	system	schedule		
			monthly		
			3 weeks		
		2 weeks			
	Single Stream		monthly		
			3 weeks		
		2 weeks			

*Each box is to include analysis of that particular scenario's related capital, labor, and transportation costs.