

CITY OF MUSCATINE
CITY COUNCIL SPECIAL MEETING
Lower Level Conference Room – August 26, 2010

Mayor Dick O'Brien called the Special City Council meeting for Thursday, August 26, 2010, to order at 5:30 p.m. Councilmembers present were LeRette, Fitzgerald, Natvig, Shihadeh, Bynum, Roby, and Lange. Also present were City Administrator Gregg Mandsager, Finance Director Nancy Lueck, Solid Waste Manager Laura Liegois, Housing Administrator Dick Yerington, and Chamber Flow Control Committee members Gary Carlson, Bill Trent, Larry Koehrsen, Tom Furlong, Greg Jenkins, Bill Phelan, and Tom Sanicola.

Housing Administrator Dick Yerington gave an overview of the resolution approving the Public Housing Assessment System Management Operations Certification to HUD for the Muscatine Municipal Housing Agency. He stated this certification does affect annual funding.

#21248. Councilmember Shihadeh moved the resolution be adopted as presented. Seconded by Councilmember Fitzgerald. All ayes: Councilmembers LeRette, Fitzgerald, Natvig, Shihadeh, Bynum, Roby, and Lange. Motion carried and resolution duly adopted.

Committee member Greg Jenkins gave an update on the meetings held by the Committee to date. He stated the Committee's proposal would mean no fee increase for residents and would reduce the deficit over the long term without flow control by utilizing a volume-based rate program and industrial contracts. He stated the Committee is requesting the city try this program for a three-year period.

Mr. Jenkins stated the Committee is looking for a consensus from City Council to allow discussion with businesses in the community to see if the tonnage can be generated to meet the program requirements.

Councilmember Roby stated it was her understanding the Committee is seeking Council's consensus to meet with area businesses to attract their tonnage and be more competitive.

Councilmember Shihadeh, who is a member of the Committee, stated the Committee is not interested in all available tonnage as it will fill up the landfill quicker; however, it is interested in obtaining enough to make the proposed model work.

Councilmember Bynum stated the proposal does not address ongoing operations.

Mr. Jenkins stated that issue still needs to be addressed.

Councilmember Bynum asked why refuse haulers should utilize the Muscatine landfill when they can pay less in Illinois.

Mr. Jenkins stated businesses need to be contacted to see if they can do the "right thing" and support their community.

Councilmember Shihadeh stated the Committee should be recognized for working to reduce the deficit.

Councilmember LeRette stated the tonnage is needed to make the proposal work and stated he would like to see flow control numbers based on the newly identified tonnage.

Committee member Gary Carlson stated the proposal addresses the long-term capacity issue. He stated some companies do not have the tonnage to compete and find the \$25 to \$35 rate more competitive. He stated it is important local businesses be contacted to see if we can generate the waste to make the proposed model work.

Committee member Bill Trent stated that at this point, nothing has been agreed upon and the model is only an example. He stated the proposal will see no fee or rate increases for existing users and the revenue generated will be utilized to meet operations, pay down the debt and meet future capital needs. He stated that before everyone can sit down to see if the volume can be attracted at an appropriate rate, the Committee needs to know it can move forward and have the discussions with businesses.

Councilmember Lange asked what happens if the tonnage falls short.

Mr. Jenkins stated the Committee will continue its work.

Councilmember Bynum stated he is not convinced the city should be in the landfill business.

Committee member Tom Furlong stated the current and next cells must be filled up before consideration can be given to getting out of the landfill business. He stated flow control is an incentive to participate in a volume-based program.

Councilmember Fitzgerald stated the landfill is currently underfunded and he is concerned with the proposed \$25 rate. He stated a \$38 to \$40 rate plus tonnage would put the city in a better position. He also stated he was concerned about lower rates for new customers versus current rates.

Mr. Carlson stated the real problem is a dollar problem. He stated it is the Committee's goal to make the landfill financially sound.

Committee member Bill Phelan stated the proposal has an economic impact and that is keeping businesses here and attracting new ones.

Councilmember Roby stated her concern is the proposed \$25 rate is not fair to existing customers; however, she is willing to see how the proposal works.

Councilmember LeRette stated the landfill deficit must be eliminated before we can consider closing it.

Councilmember Roby stated the city needs to start planning ahead.

John Axel of ESI stated he appreciates the work the Committee has done. He stated it is his understanding the proposal would keep current customers at the \$60 per ton and he was told that was correct. He then asked if businesses paying that rate will question why they are not paying the lower rate.

Mr. Jenkins stated that tonnage is a consideration and that larger businesses will be bringing in more.

Mr. Axel pointed out that the city's recycling program could reduce the tonnage even more.

Mr. Carlson stated there are a lot of uncertainties and that is why a three-year program is being proposed.

Mr. Axel stated it was his understanding that haulers will not be contacted at this point and he was told that was correct.

Mr. Trent stated the next Flow Control Committee meeting is September 17, 2010. He stated the Committee is seeking a consensus from Council to begin talking with businesses with results reported back to the Committee on or before the next meeting date.

Mayor O'Brien asked for a consensus from Council to allow the Committee to move forward. Councilmembers in agreement were LeRette, Fitzgerald, Natvig, Shihadeh, Roby, and Lange. Councilmember Bynum was opposed.

#21249. Councilmember Shihadeh moved the meeting be adjourned at 6:15 p.m. Seconded by Councilmember Fitzgerald. All ayes; motion carried.

Respectfully submitted,



Gregg Mandsager
City Administrator