



Item No. 86

# AGENDA ITEM REQUEST FORM

**Town Manager**

**Connie Hoffmann** *CH*

Department Submitting Request

Dept Head's Signature

**REGULAR**  
**COMMISSION MTG**  
**Meeting Dates - 7:00 PM**

**DEADLINE TO**  
**Town Clerk**

**ROUNDTABLE/**  
**SPECIAL MEETING**  
**Meeting Dates / TIME**

**DEADLINE TO**  
**Town Clerk**  
**7 Days Prior (noon)**

- July 12, 2011
- July 26, 2011 SPECIAL BUDGET 5:30 PM
- July 26, 2011
- Aug 23, 2011
- Sept 12, 2011 1<sup>st</sup> PUBLIC HEARING
- Sept 13, 2011
- Sept 26, 2011 2<sup>nd</sup> PUBLIC HEARING
- Sept 27, 2011

- July 01 (5:00 pm)
- July 15 (5:00 pm)
- July 15 (5:00 pm)
- Aug 12 (5:00 pm)
- Sept 01 (5:00 pm)
- Sept 02 (5:00 pm)
- Sept 15 (5:00 pm)
- Sept 16 (5:00 pm)

- Insert Date/Time

- Presentation
- Reports
- Consent
- Ordinance
- Resolution
- Quasi Judicial
- Old Business
- New Business

**FY2011 DESIGNATED HIGH PRIORITY ITEM**  
**PRIORITY TOPIC:**

**SUBJECT TITLE: Solid Waste Disposal Issues Update**

**EXPLANATION:** The County has entered into several new agreements with Wheelabrator that affect the ongoing discussions of the future cost of disposing of solid waste in the County. In addition, the County Commission approved the Resource Recovery Board's recommendation that \$20 million of the Solid Waste Disposal District's \$60 million fund balance be distributed to the member cities (of which we are one) for recycling efforts. Lauderdale-by-the Sea would receive approximately \$121,000 of those funds.

**EXPECTED OUTCOME: Commission awareness of latest events & the likelihood LBTS will receive a \$121,000 grant for recycling.**

**EXHIBITS: Memo dated July 21 from Town Manager on Solid Waste Disposal Issues**

Reviewed by Town Attorney  
 Yes  No

Town Manager Initials *CH*

# Town of Lauderdale-by-the-Sea

## OFFICE OF THE TOWN MANAGER

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### Memorandum

**Date:** July 21, 2011

**To:** Mayor Roseann Minnet  
Vice Mayor Stuart Dodd  
Commissioner Birute Clottey  
Commissioner Scot Sasser  
Commissioner Chris Vincent

**From:** Connie Hoffmann, Town Manager 

**Subject:** Solid Waste Disposal Issues Update

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#### BACKGROUND

As you know, the Town is a party to the Interlocal Government Agreement for Solid Waste Disposal Services between Broward County and twenty six (26) of the County's municipalities. This agreement has been in effect since 1986 and was created to facilitate a County-wide solution to waste disposal. The ILA created the Broward Solid Waste Disposal District (District) as a dependent district, governed by the Resource Recovery Board (RRB), responsible for the disposal of all solid waste delivered by or on behalf of the participating cities and the County. The cities were required to take their waste stream to the District's disposal facilities. The ILA will expire on July 2, 2013.

Broward County entered into contracts with two companies in 1986 (which were later amended in 1989 and 2001) for the design, procurement, construction, operation and maintenance of two waste-to-energy resource recovery plants. The contract for the South Plant, currently held by Wheelabrator South Broward Inc., expires on August 4, 2011. The contract for the North Plant, currently held by Wheelabrator North Broward, expires on March 22, 2012. These contracts are referred to as Service Agreements.

In anticipation of the expiration of these agreements, the RRB worked for several years to develop a new Service Agreement for the continued operation of the two waste-to-energy facilities. Lauderdale-by-the-Sea, as well as the County and several other cities, refused to adopt the proposed new Service Agreement. Our reasons for refusing were that we felt it continued a virtual monopoly under terms extremely favorable to Wheelabrator and unfavorable to the cities. The County rejected the agreement

because they were unhappy with the terms and also felt they should be better compensated for the lease of the County land on which the South waste-to-energy plant sits.

The RRB did not get a sufficient number of the parties to the ILA to vote in favor of the proposed, new ILA by the deadline of December 31, 2010. In January, the RRB began to look at their options and proposed to the County that \$20 million of the \$60 million in reserve funds that have accumulated in the District's finances be provided to ILA member communities for the purpose of increasing recycling through the single stream process. (A significant portion of the tipping fee that the cities pay to dispose of solid waste at the waste-to-energy plants goes to the District for their administrative costs and to operate recycling programs.) The County did not act on that recommendation at the time. (See Exhibit 2)

### **CURRENT EVENTS**

On June 28<sup>th</sup>, the County Commission approved a revised land lease with Wheelabrator for the south waste-to energy plant, a revised service agreement with Wheelabrator that affects the tipping fees at both the north and south plants, and discussed the RRB's suggestion to allocate \$20 million of the unencumbered reserves of the Resource Recovery System to communities for recycling. A description of each of those decisions is provided below:

#### **1. Lease of County land to Wheelabrator on which the south county waste-to-energy plant was built.**

The original term of land lease of the County's land will expire in August, but has automatic five, five year renewals and requires Wheelabrator to pay only \$100,000 per year in lease payments to the County. The Broward Commission unanimously approved a new land lease that requires an annual payment of \$1,160,000 per year by Wheelabrator to the County and includes an automatic annual CPI increase. So the County has achieved their stated goal of increasing their lease income. The new lease still allows Wheelabrator use of the property for 25 additional years. The County talked about trying to tie the land lease to the end of the ILA for the operation of the Resource Recovery Plant, but was advised they could not, given the terms of the existing lease.

#### **2. Extension of the Service Agreements with Wheelabrator for the operation of the both the north and south county waste to energy plants.**

The County Commission unanimously approved a revision to the service agreement that covers both the north and south waste-to-energy plants which includes a tipping fee rate of \$63 per ton in FY 2012 and \$57 per ton in FY 13. The term of the agreement stays the same; it expires in July 2013, the same time that the ILA expires.

The revised agreement does not allow for an increase in the rate during the remaining term of the agreement unless there is a tax imposed by local, state or federal law which is specific to solid waste disposal. Other contract provisions contained in the current service agreements for the north and south plants continue until expiration (tonnage and electrical shortfall payments, change in law increases, payments for taxes, etcetera).

This is higher than the per ton figure assumed by the RRB in setting the FY 2012 tipping fee for the District. The County staff estimated that this differential will create an operating deficit of approximately \$1.4 million in the District's budget, which will need to be covered from District reserves.

### **3. Allocation of \$20 million to support ILA communities' recycling efforts.**

The Resource Recovery Board has accumulated approximately \$60 million in unencumbered reserves since its inception over twenty years ago. The County Commission unanimously approved the RRB's suggestion to distribute \$20 million from the resource recovery system's unencumbered reserves to support recycling efforts in the contract communities. The details of the program will be developed by County staff but there will be a contractual relationship between the County and the cities which identifies the terms of the allocation program. The backup indicates that the Town of Lauderdale-by-the-Sea would receive approximately \$121,000 of that money which will have to be earmarked for uses that promote recycling initiatives. (Exhibit 3)

The County staff indicated that 2009 data shows only 24% of municipal solid waste is recycled in Broward County, with the remaining 33% combusted and 43% land-filled. County staff predicted the proposed grant program will increase recycling by at least 30% in the municipalities that take advantage of it.

The County Commission approved the idea to distribute the \$20 million to the cities, but asked their staff to develop the program guidelines.

The County Commission also discussed their desire to hold some of the remaining \$40 million reserve for the closure and perpetual care of the ash monofil landfill. There was also some discussion suggesting the County should receive a larger portion of the reserve allocation than the cities because it was the County's resources that guaranteed the original debt to build the waste-to-energy plants. (In my opinion, the County's guarantee on the bonds had little risk because the cities guaranteed their waste streams, which provided the income to pay the debt on the bonds.)

The County staff will provide a report in six months that will recommend how to distribute the remaining assets of the resource recovery system.

## **STATUS OF MIRAMAR'S RFP**

The City of Miramar issued an RFP for solid waste disposal in March to explore disposal options once the ILA expires in July 2013. Miramar structured the RFP to allow other cities to join in the contract that may result from this RFP. Miramar received only two responses (Wheelabrator and Sun/Bergeron JV). Choice Environmental did not submit a proposal. The bid prices submitted will remain sealed until the non-cost bid evaluation is completed by their evaluation committee.

## **WHAT ALL OF THIS MEANS TO LAUDERDALE-BY-THE-SEA**

Earlier this year when we were looking at the costs and issues involved with going with a program like *Recycle Bank*, we learned that the single most effective thing a community can do to increase recycling is to provide residents with a larger recycling bin. There is evidence that communities that replace 18 gallon recycling bins with 96 gallon recycling carts increase recycling up to 50%, without providing financial incentives to consumers, because the larger, wheeled carts make it easier to recycle.

The \$121,000 grant would enable us to buy large recycling carts on wheels for all of our residents and smaller multi-family units, and have a healthy supply of replacement carts. (An obvious problem we will have to deal with is the fact that some multifamily properties do not have space to store additional carts.) In addition, we are hopeful it could be used to purchase more effective and attractive recycling receptacles in public places and for signage and promotional programs to increase recycling. Perhaps we will also be able to assist condominiums with their recycling programs.

## **CHOICE CONTRACT**

Any changes in the way we approach recycling from a collection standpoint, will require discussions with our hauler, Choice Environmental. The current Choice contract expires in the summer of 2012, but it has renewal options and the Town must make the decision whether to exercise the first renewal option by January 1, 2012. The contract language provides:

*Renewal Process.* Prior to making a recommendation to the Town Commission on whether to renew the Agreement, the Town Manager or designee will meet and confer with the CONTRACTOR regarding changes in terms and conditions that either the TOWN or the CONTRACTOR would like to see reflected in an amendment to the Agreement covering the next renewal period. The TOWN shall thereafter notify the CONTRACTOR of its decision to exercise a renewal option or allow the Contract to terminate. Said notice shall be in writing and delivered not less than one hundred eighty (180) calendar days prior to the expiration date.

We will need to deal with all of these issues in FY 2012, but I wanted to update the Commission now so that you were aware of the recycling opportunity.

RESOLUTION NO. 11-02  
A RESOLUTION OF THE RESOURCE RECOVERY BOARD  
OF THE BROWARD SOLID WASTE DISPOSAL DISTRICT, BROWARD COUNTY FLORIDA,  
APPROVING 100% FUNDING TO PROVIDE FOR AN INCREASE IN RECYCLING  
OF SYSTEM RECYCLABLES FOR SINGLE STREAM PROCESSES  
AS PROVIDED BY THE TECHNICAL ADVISORY COMMITTEE

WHEREAS, the Technical Advisory Committee to the Resource Recovery Board has recommended funding for recycling of system recyclables for single stream processes as provided in a resolution, a copy of which is attached; and

WHEREAS, the Resource Recovery Board wishes to approve full funding, from District funds, for the purposes described in said resolution.

**NOW THEREFORE, BE IT RESOLVED BY THE RESOURCE RECOVERY BOARD OF THE BROWARD SOLID WASTE DISPOSAL DISTRICT, AS FOLLOWS:**

Section 1: The Resource Recovery Board does hereby approve full funding of \$20 million, from District funds, for recycling of system recyclables for single stream processes as provided in the resolution of the Technical Advisory Committee, a copy which is attached to this resolution.

Section 2: The Resource Recovery Board requests that the County Commission transfer funds from Fund 4880 Unrestricted Reserves, for distribution through the Executive Director.

Section 3: The Resource Recovery Board authorizes the Executive Director and Legal Counsel to institute the necessary administrative processes to expedite said distribution.

Section 4: This resolution shall become effective upon its adoption.

ADOPTED this 20<sup>th</sup> day of January, 2011.

A RESOLUTION OF THE TECHNICAL ADVISORY COMMITTEE  
TO THE RESOURCE RECOVERY BOARD

WHEREAS, the Technical Advisory Committee wishes to recommend funding to provide for an increase in recycling of system recyclables through its single stream process;

NOW THEREFORE, THE TECHNICAL ADVISORY COMMITTEE HEREBY RECOMMENDS THE FOLLOWING TO THE BROWARD RESOURCE RECOVERY BOARD:

- 1). Funding should be allocated to increase recycling of system recyclables through the single stream process.
- 2). Reserve funds up to a total of \$20 million should be used to fund this initiative.
- 3). There should be a phased-in approach through the expiration dates of existing franchise agreements of partner municipalities for those desiring that type of arrangement, or in the alternative a single reimbursement for communities wishing same.
- 4). Funding should be limited to existing Contract Communities of the present I.L.A. as of this date.
- 5). Communities that have already purchased carts or other related items for use in the single stream process may be reimbursed for same.
- 6). Carts or other items being used in the single stream process may be purchased through a consortium to take advantage of group purchasing power.
- 7). Communities which have determined that they do not wish to purchase carts, but wish funds for use to further their own current recycling program in support of single stream concept, as long as the entity has shown that the expenditure is related, should be funded.
- 8). The extent of funding should be based upon the same parameters as utilized in funding the most recent annual excess reserve distribution.

**DISTRIBUTION OF RESERVES - Single Stream Carts  
 BASED ON MOST RECENT EXCESS RESERVES DISTRIBUTION  
 FROM: 10/01/07 - 09/30/08 (1)**

DISTRIBUTION AMOUNT: \$20,000,000

City	Fiscal Year 2008		
	Tonnage*	% Tons	Municipal Distribution
Coconut Creek	33,661.670	2.9947%	\$598,938.31
Cooper City	23,891.840	2.1255%	425,104.82
Coral Springs	96,379.040	8.5743%	1,714,861.42
Davie	96,146.470	8.5536%	1,710,723.32
Deerfield Beach	64,825.360	5.7672%	1,153,430.34
Fort Lauderdale	190,981.560	16.9906%	3,398,113.41
Hillsboro Beach	1,975.680	0.1758%	35,153.05
Hollywood	115,906.040	10.3115%	2,062,303.13
Lauderdale by the Sea	6,824.630	0.6071%	121,429.87
Lauderdale Lakes	22,621.390	2.0125%	402,499.85
Lauderhill	40,945.400	3.6427%	728,536.90
Lazy Lake	0.000	0.0000%	0.00
Lighthouse Point	9,087.310	0.8084%	161,689.48
Margate	37,268.500	3.3156%	663,114.23
Miramar	67,896.110	6.0403%	1,208,067.85
North Lauderdale	23,157.170	2.0602%	412,032.92
Oakland Park	39,535.520	3.5173%	703,451.06
Pembroke Park	5,658.680	0.5034%	100,684.26
Plantation	58,106.830	5.1694%	1,033,888.29
Sea Ranch Lakes	1,198.770	0.1066%	21,329.58
South West Ranches	6,402.230	0.5696%	113,914.16
Sunrise	75,196.190	6.6898%	1,337,957.35
Tamarac	33,064.450	2.9416%	588,312.04
Unincorporated	15,482.710	1.3774%	275,482.11
West Park	8,669.860	0.7713%	154,261.84
Weston	37,904.900	3.3722%	674,437.62
Wilton Manors	11,256.340	1.0014%	200,282.79
	1,124,044.650	100.0000%	\$20,000,000