



City of Blaine

City Council Workshop

October 2, 2023 | 5:30 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

AGENDA

NOTICE OF WORKSHOP MEETING

In accordance with the provisions of Section 3.01 of the Blaine City Charter, a Council Workshop meeting is scheduled for the following purpose:

1. Call to Order

2. New Business

- 2.1.** 2023-471 SBM Fire Department - Quarterly Update
Sponsors: Dan Retka, Fire Chief
- 2.2.** 2023-468 Board and Commission Appointments – 2023/2024
Sponsors: Cathy Sorensen, City Clerk
- 2.3.** 2023-469 Refuse Contract and 2024 Budget
Sponsors: Jason Zimmerman, Finance Director

3. Other Business

4. Adjournment



City of Blaine Staff Report

File Number: 2023-471

Agenda Date

October 2, 2023

Status

In Control

City Council

File Type

Workshop Item

New Business - Daniel Retka, Fire Chief

Agenda Item # 2.1

SBM Fire Department - Quarterly Update

Executive Summary

Background

Chief Retka will provide City Council with a quarterly update.

Strategic Plan Relationship

Board/Commission Review

Financial Impact

Public Outreach/Input

Staff Recommendation

Attachment List

None



City of Blaine Staff Report

File Number: 2023-468

Agenda Date	Status
October 2, 2023	
In Control	File Type
City Council	Workshop Item

New Business - Cathy Sorensen, City Clerk

Agenda Item # 2.2

Board and Commission Appointments – 2023/2024

Background

As staff prepares to advertise for upcoming board and commission vacancies, staff is seeking input on the following:

- Terms – is there interest in revisions to the current policy regarding length of terms or number of terms?
- Wards - is there interest in revisions to the current policy regarding ward-specific appointments?
- Interviews – direction is being sought regarding the interview process and whether to provide the opportunity to interview all applicants, including current members wishing to be reappointed, or limit interviews to new applicants only.
- Park Advisory Board/NRCB – review of terms/appointments; terms for Park Board and NRCB were for one year only based on council's discussion regarding potential merger of these two boards. Please note under the current policy three NRCB members have reached the maximum number of terms. One vacancy currently exists on this commission.
- Traffic Commission - one vacancy currently exists on this commission.
- Planning Commission - no vacancies exist on this commission until 2025.

The current appointment policy and most current commission member list is included for reference.

Staff Recommendation

Council is asked to provide input.

Questions for Council

Staff is seeking Council input regarding the 2023/2024 board/commission vacancy process.

Attachment List

1. Board and Commission Appointment Policy - 2020

COUNCIL POLICY

Board/Commission Appointment Process

Purpose: Boardmembers and commissioners are vital to the community and provide input and guidance on the many opportunities and issues Blaine faces as a growing community. Requirements for these volunteer positions include being a resident of Blaine, attending monthly meetings, and having a community interest. In order to be most responsive to residents interested in serving on boards and commissions and to be able to be flexible during the recruitment, the appointment process previously outlined by ordinance was moved and included as a Council policy outlined below.

Planning Commission/Board of Appeals and Adjustments

The Planning Commission shall be composed of:

- 7 members appointed for a maximum of two 3-year terms unless agreed upon by consensus of a majority of the City Council.
- Terms for Planning Commissioners to expire in March of each year when a successor is qualified.
- Vacancies occurring at the end of a term or during a term will be filled by mayoral appointment confirmed by a majority of the City Council.
- Members may be removed by the mayor if the removal is confirmed by a majority vote of the City Council.
- The mayor shall appoint a chair from among the members and a vice chair may be selected by the members.
- At least two members must reside in each council election ward during the term of their appointment.
 - o In the event a candidate cannot be identified from a ward, including as a result of redistricting, a resident from outside that ward may be appointed to serve at large for one 3-year term upon consensus of a super majority of City Council.
- Current members who move from the council election ward they were appointed to will be allowed to complete their term with the approval of the mayor and the two councilmembers from the council election ward they moved from.
- Should a Commissioner move outside the City their term shall end immediately.
- The Commission shall adopt rules for the transaction of its business and such rules may include provisions for conducting public hearings and the

filing of written testimony by the public.

- The Commission shall provide a public record of its proceedings which include the minutes of its meetings, its findings, and action taken on each matter heard by it, including the final recommendation.
- Meetings to be held the first Tuesday of each month or at the call of the Planning Commission shall be held at the call of the chair and at such other times as the Commission in its rules of procedure may specify.

Traffic Commission

The Traffic Commission shall be composed of seven members appointed for a maximum of two 3-year terms. Terms for traffic commissioners shall expire in March of each year when a successor is qualified. Vacancies occurring at the end of a term or during a term shall be filled by Mayoral appointment confirmed by a majority of the entire City Council. Members may be removed by the mayor if the removal is confirmed by a majority vote of the entire city council. The mayor shall appoint a chair at large from among the members and a vice chair may be selected by the members. At least two members must reside in each council election ward during the term of their appointment. Current members who move from the council election ward they were appointed to shall be allowed to complete their term with the approval of the mayor and the two councilmembers from the council election ward they moved from. A Board Member/Commissioner may serve no more than two 3-year terms unless agreed upon by consensus of a majority of the City Council. In the event a candidate cannot be identified from a ward a resident from outside that ward may be appointed to serve at large for one 3-year term upon consensus of a super majority of City Council. Should a commissioner move outside the city their term shall end immediately.

Park Advisory Board

The Park Advisory Board shall be composed of seven members appointed for a maximum of two 3-year staggered terms. All park board members' terms shall expire in March of each year when a successor is qualified. Vacancies occurring at the end of a term or during a term shall be filled by Mayoral appointment confirmed by a majority of the entire City Council. At least two members must reside in each council election ward during the term of their appointment. Current members who move from the council election ward they were appointed to shall be allowed to complete their term with the approval of the mayor and the two councilmembers from the council election ward they moved from. A Board Member/Commissioner may serve no more than two 3-year terms unless agreed upon by consensus of a majority of the City Council. In the event a candidate

cannot be identified from a ward a resident from outside that ward may be appointed to serve at large for one 2-year term upon consensus of a super majority of City Council. Should a commissioner move outside the city their term shall end immediately. The mayor shall appoint a chair from among the members and a vice chair may be selected by the members.

Natural Resources Conservation Board

Resolution 01-88 adopted May 17, 2001 established the NRCB; the policy outlined structure and amended as outlined in Resolution 16-028:

- a. The Natural Resource Conservation Board will be comprised of 10 members consisting of two (2) members from each Council ward and four (4) at-large members, one (1) of whom will serve as chair for a total of ten (10) members. The mayor shall appoint a chair from among the members and a vice chair may be selected by the members. Blaine residents as well as non-resident taxpayers are eligible to serve on the Board. If a Board member moves from the council election ward they were appointed to, they shall be allowed to complete their term with approval of the Mayor and two Councilmembers from the council election ward they moved from. If a current Board member moves outside the City, their term shall end immediately.
- b. Board members will serve two 3-year terms expiring in March.
- c. Board members may be reappointed to additional terms.
- d. In the event a candidate cannot be identified from a ward a resident from outside that ward may be appointed to serve at large for one 2-year term upon consensus of a super majority of City Council.

Others

Charter Commission appointment process is outlined in Statute. Mary Ann Young Center Advisory Board and Fire Board appointments are made every two years or as needed.



City of Blaine Staff Report

File Number: 2023-469

Agenda Date	Status
October 2, 2023	
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City Council	Workshop Item

New Business - Jason Zimmerman, Finance Director

Agenda Item # 2.3

Refuse Contract and 2024 Budget

Background

At the September 7, 2022 Workshop, Council discussed both the proposed 2023 Refuse Utility Fund budget, and the refuse and recycling contract. The contract has been held by Walters Recycling and Refuse, Inc. ("Walters") of Blaine since 2015. The initial contract, which was for a 5½-year term, was extended in 2019 by the City Council and is set to conclude in June 2024. During the September 7, 2022 Workshop staff indicated that a request for proposals (RFP) process would need to begin in mid-2023 to allow the City time to prepare, solicit, and award the contract. Council voiced general support to an alternative to the RFP process, as there is no legal requirement that the city engage in an RFP for this service. However, before taking formal action, Council requested that staff research the hauling contracts and fees/rates of other cities with organized refuse hauling before deciding the next step regarding the contract.

At the December 5, 2022 Workshop, Council was provided with data regarding the current fee structure for sanitation services. At the time of the discussion, Blaine was one of 13 known cities in the metro area with organized hauling and research indicated that Blaine's fees for garbage and recycling services were the lowest of these cities. Council direction was to waive the RFP process, and work with Walters and the City Attorney to directly negotiate a new contract with a duration between three and five years.

The following steps have been taken in connection with Council direction:

- February 2023: Initial contract drafted
- April 2023: City staff provided comments
- May 2023: City staff met with Walters to discuss contract
- August 2023: Walters reviewed and provided comments
- September 2023: Walter, City staff, and City Attorney provide proposed contract

Partnership

Since securing the contract in 2015, Walters has worked diligently with the city to contain costs. Examples include:

- Walters recommended changes to the size of the recycling carts, resulting in an immediate and sustained 30% increase in recycling tons collected.
- Walters alerted the city of instances where individuals took advantage of the city's unlimited service to remove bulky items such as mattresses, carpeting, and construction material. Adjustments were made to reduce the amount of these bulk items, reducing costs to both residents and the city.
- In 2022, with Walters' assistance, the city launched a pilot program for organic waste drop-off. Discussions continue around success and the next steps in growing the program.
- When Great River Energy closed its Anoka County disposal site, Walters negotiated favorable terms to dispose of solid waste and pass those savings to Blaine.

Service

The city receives few complaints about the service. Per the existing contract, Walters must document and promptly address all concerns. From June 1, 2019 – July 28, 2023, Walters received 326 complaint calls. During this period, they tipped or collected 7,700,000 carts. This equates to approximately 42 complaints for every 1,000,000 carts tipped.

Per Walter's, the most common complaints received are listed below:

1. Missed pickup – Many of these are from customers who fail to get their cart out by 7 a.m. on the service day.
2. Grass clipping or trash/recycling left in the street – Drivers have been instructed to watch closely for items that may fall or blow out of carts. The last complaint of this nature was received in August 2021.
3. The cart was left in a different place in the driveway.
4. Cart exchanges were not completed on the day requested.

How the city is billed for service

Refuse and recycling fees are based on the city's cost to collect and transport waste (typically referred to as "hauling fees") to a solid waste facility and dispose of these items (typically referred to as "tipping fees"). Hauling fees are paid directly to Walters as part of the city's contract, while tipping fees are a pass-through cost charged by the waste facility based on the weight (tonnage) of waste disposed at the facility.

Proposed Contract Changes

Generally, the overall terms and requirements of the proposed contract are consistent with the existing agreement. Some references have been moved or reorganized to clean up the overall contract presentation. For example, all fees and costs have been moved to Exhibit B; before this, fees and rates were found throughout the contract. The two most significant changes to the proposed agreement include the utilization of the Consumer Price Index ("CPI") to determine annual rate changes and the consideration of interim fuel adjustments. The proposed term of the contract is from July 2024 to June

2029.

Consumer Price Index Adjustment Process

Utilization of the CPI for garbage and trash collection has become an industry standard for municipal contracts. Annual changes to the index are used to adjust the contract price that the city pays to Walters for their services. Walters has implemented this approach for all municipal contracts and most commercial agreements, including school districts, colleges, and large homeowner's associations. By considering the impact of inflation, the CPI index provides a metric-based approach to determining annual price increases. This eliminates arbitrary numbers that may not accurately reflect the current business environment. The observed CPI change from July to June is proposed to be the basis for any increase effective January 1 of the following year.

Six contracts were collected by the city that show CPI as the basis used to set yearly rates.

City	Hauler
New Brighton	Republic Services
Saint Anthony Village	Aspen Waste
Shoreview	Foth Infrastructure & Environment
Spring Lake Park	Walters
Columbia Heights	Walters
Osseo	Walters

This adjustment ensures our hauler can continue operations in volatile markets and makes contract changes more objective. CPI trends for the current contract are between 2.33% - 7.72% annually.

Interim Fuel Adjustments

The proposed interim fuel adjustment clause in the contract provides a good faith provision which would allow the contractor to request a price increase if there is a substantial fuel price increase. This clause aims to address the immediacy and volatility of fuel price changes outside of the annual CPI adjustment noted in the preceding section. If the Contractor initiates this clause, both parties must negotiate in good faith to potentially increase pricing beyond the CPI adjustment. Any increase agreed to under this clause is not automatically subject to the annual CPI increase adjustment in the contract, rather it is reviewed and negotiated based on fuel prices.

Ultimately, it is up to the city to decide whether to grant the contractor's request for a price increase. However, the city should keep in mind that the interim fuel adjustment clause is a good faith provision intended to protect both parties from events related to unexpected fuel price changes. Here are some things the city will consider when evaluating the contractor's request for a price increase:

- The magnitude of the increase in the price of fuel.
- The impact of the increase on the contractor's operational costs.
- The ability of the contractor to absorb the increased costs.

- The fairness of the contract price, considering the current market conditions.
- The potential impact of a price increase on the city's budget and the public.

Historical and Proposed 2024 Monthly Hauler Rates

The table below outlines the historical fee charged by Walters to collect and transport each service account. The city is charged the same amount regardless of the garbage cart size (i.e. 38, 68, or 96-gallon). The "CPI observed Increase %" was the change in garbage and trash collection per the CPI-U index for each year; the "Contract Increase %" was the actual change in the city's contract for each year. The "Difference" is the variance between the actual CPI increase and the city's contract increase.

	2016	2017	2018	2019	2020	2021	2022	2023	2024 (Jan-Jun)	2024 (Jul-Dec)
Garbage	\$6.65	\$6.87	\$7.10	\$7.33	\$7.57	\$7.82	\$8.07	\$8.33	\$8.60	\$11.25
Recycling	\$3.13	\$3.23	\$3.34	\$3.45	\$3.56	\$3.68	\$3.80	\$3.92	\$4.05	\$4.18
Total	\$9.78	\$10.10	\$10.44	\$10.78	\$11.13	\$11.50	\$11.87	\$12.25	\$12.65	\$15.43
Contract Increase %		3.27%	3.37%	3.26%	3.25%	3.32%	3.22%	3.20%	3.27%	21.98%
CPI Observed Increase %		2.33%	3.79%	3.43%	3.26%	4.13%	5.87%	7.72%		
Difference		-0.94%	0.42%	0.17%	0.01%	0.81%	2.65%	4.52%		

Impact of Walters's Contract on Residential Service Fees

Walters's contract results in residential customer accounts increasing between 7.6% to 23.8% over 2023 rates, for the 2024 budget year, as staff is also recommending rebalancing changes by cart size. Each of these contracts would cover half of 2024 as they end and start midyear. The increase starting July 2024, was anticipated due to the market conditions of the previous years, in comparison to other costs that the city has experienced during this same time period. However, the rates in the proposed contract are still lower than what staff expected from an RFP process. When exploring contracts, it was discovered that a few cities experienced an increase of 46% - 200%, and some RFPs required rebids due to low response rates.

Impact of Subsidizing 38- and 68-gallon size.

Over the past years, the 38 and 68-gallon carts have been priced at a net loss to the Refuse Fund. These carts have been offset by customers on the large (premium) 96-gallon cart size. As these customers, on average, only partially fill their carts or take full advantage of allotted bulk items, the amount allocated towards tipping fees has offset the smaller cart sizes. The fund could be strained if a significant shift were to occur away from the 96-gallon.

Rates for 2024

The proposed 2024 rates have been set to collect the minimum fees required to cover the cost of the service. This will allow the City to cover the cost of each service option equitably. The intent of the Refuse Fund is to break even, while maintaining a level of fund balance to provide liquidity for paying operating expenses and managing any delinquencies in the collection of fees.

City Rate and Service Comparisons

Cart Size Refuse	2023 Rate	2024 Rate	Change
96 – Gallon	\$66.00	\$71.00	\$5.00
68 – Gallon	\$52.50	\$60.00	\$7.50
38 – Gallon	\$42.00	\$52.00	\$10.00
Senior/Reduced	\$33.00	\$35.50	\$2.50

Metro Comparisons

City	96 Gallon	68 Gallon	32 Gallon	Notes
Blaine (2024)	\$ 71.00	\$ 60.00	\$ 52.00	Proposed 2024 Rates
St. Louis Park	145.88	95.18	66.86	Includes Yard/Waste
Robbinsdale	124.23	110.82	98.34	
St. Paul	116.39	104.26	74.35	
White Bear Lake	112.96	79.83	51.08	
Columbia Heights	103.80	88.23	85.37	
Hopkins	95.40	85.05	73.05	
Ham Lake (2024)	85.32	77.25	60.09	2024 Rates
Champlin	76.92	64.02	51.06	
Vadnais Heights (2024)	73.35	61.98	54.00	2024 Rates
Forest Lake	71.25	66.78	62.34	
Circle Pines	63.69	48.15	37.29	
Average	95.02	78.46	63.82	

2024 Budget

Revenues

Over 96% of the revenue required to operate the Refuse Fund comes from fees charged to residents for service. As detailed above, the fees are set based on the City's cost of providing the service. The attached 2024 budget reflects the recommended rate increases (see "Rates for 2024" above).

The other revenue source the fund receives is a Select Committee on Recycling and the Environment (SCORE) grant. The SCORE grant is a reimbursement grant for the costs such as recycling advertising, postage, organics drop-off contract and expenses, and Saturday recycling events. More information on the

SCORE grant will be brought forward when Council is asked to consider the renewal of the SCORE agreement with Anoka County in mid-October 2023.

Expenses

Expenditures related to the handling of waste and recyclables within the Refuse Fund can be broken down into two parts: the cost for the collection and the cost for disposal of that material.

The proposed 2024 budget includes an increase in the monthly waste and recycling contract charges per household of \$0.40 for January through June and an additional \$2.78 for June to December; for an average increase of \$1.79 per month. The budget also assumes an increase in the customer base of 350 households.

Expenditures for the disposal of material can be divided between waste and recyclables. Tipping fees at the landfill are expected to increase by an average of \$3.78 per ton for 2024. Disposing of recyclables can result in either a fee for disposal or disposal credits, where the city receives payment in exchange for recyclables. In 2019 and 2020, the city was paying between \$30-\$50 per ton each month to process recyclables; to date, in 2023, the city is earning credits averaging \$6.85 per ton every month, compared to credits of \$63.99 in 2022 and \$34.65 for 2021. Disposal fees and credits are highly variable depending on market demand for recyclables.

Other budgeted expenditures cover the cost of marketing and professional services designed to encourage recycling, operation of the organics recycling program, billing fees, and chargebacks to the General Fund for administrative support.

The attached budget document proposes 2024 budgeted expenditures of \$5.7 million: a \$753,200 (15.3%) increase over the 2023 budget.

Attendance

Representatives from Walters Recycling and Refuse, Inc are expected to be in attendance and available to answer any questions the Council may have.

Staff Recommendation

Questions for Council

Does the Council support the proposed Garbage, Refuse, Recyclable Materials, and Yard Waste Collection Services agreement with Walters Recycling and Refuse, Inc.?

Does the Council support the proposed 2024 Refuse Fund Budget?

Attachment List

1. 2024 Refuse Fund Budget
2. Walters Contract Proposal
3. Exhibit A - Collection Map
4. Exhibit B - Price Sheet
5. 2024 Refuse Contract and Budget Presentation

CITY OF BLAINE, MINNESOTA

REFUSE FUND - 603

2024 Budget

	2022 Actual	2023 Adopted	2024 * Proposed	Change from 2023 Amount	Percent
Beginning Fund Reserve	\$ 649,721	\$ 1,030,543	\$ 1,169,183		
REVENUES AND OTHER SOURCES					
Charges for services	4,733,511	4,921,440	5,683,600	762,160	15.5%
Intergovernmental - SCORE	66,151	138,000	203,456	65,456	47.4%
Interest	(12,863)	500	-	(500)	-100.0%
Total revenues and other sources	4,786,799	5,059,940	5,887,056	827,116	16.3%
EXPENDITURES AND OTHER USES					
Supplies	-	2,000	-	(2,000)	-100.0%
Contracted Refuse service	4,202,406	4,693,600	5,445,400	751,800	16.0%
Other Contractual services	43,864	60,000	63,000	3,000	5.0%
Administrative Charges	152,000	157,700	165,800	8,100	5.1%
Other services and charges	7,707	8,000	300	(7,700)	-96.3%
Total expenditures and other uses	4,405,977	4,921,300	5,674,500	753,200	15.3%
Increase (Decrease) in Fund Reserve	380,822	138,640	212,556		
Ending Fund Reserve	\$ 1,030,543	\$ 1,169,183	\$1,381,739		

* The 2024 Proposed Budget assumes the contract with Walter's and the proposed 2024 user rates are adopted by Council

CITY OF BLAINE

AGREEMENT FOR GARBAGE, REFUSE, RECYCLABLE MATERIALS AND YARD WASTE COLLECTION SERVICES

July 1, 2024 - June 30, 2029

THIS AGREEMENT ("**Agreement**"), dated October ____, 2023, is made between the **CITY OF BLAINE**, a Minnesota municipal corporation (the "**City**"), and **WALTERS RECYCLING AND REFUSE, INC.**, a Minnesota corporation ("**Contractor**").

WHEREAS, the parties entered into that certain Amended Agreement for Garbage, Refuse, Recyclable Materials and Yard Waste Collection Services, dated January 1, 2019, as amended by that First Amendment to the Amended Agreement for Garbage, Refuse, Recyclable Materials and Yard Waste Collection Services, dated June 19, 2019 (collectively, the "**Existing Agreement**");

WHEREAS, the Existing Agreement expires on June 30, 2024 and the parties acknowledge and agree that the Existing Agreement shall continue to control through its expiration date;

WHEREAS, the City and Contractor have entered into this Agreement to provide for the continued delivery of Contractor's services pursuant to the terms and conditions hereof after the expiration of the Existing Agreement and that this Agreement shall become effective upon expiration of the Existing Agreement and shall control throughout the *Term* (as defined below);

NOW, THEREFORE, in consideration of the mutual promises and agreements hereinafter set forth, the sufficiency of which are hereby acknowledged, the City and Contractor agree as follows:

1. Definitions.

1.1 "**Brush**" shall mean branches, trees and other shrubs, which are less than four (4) inches in diameter and have been tied in bundles that are not more than four (4) feet in length and weigh no more than thirty-five (35) pounds per bundle.

1.2 "**City Manager**" means the then acting City Manager for the City.

1.3 "**Collection**" means, as appropriate, *Garbage and Refuse Collection, Recycling Collection and/or Yard Waste Collection* (as such terms are defined below).

1.4 "**Dwelling Unit**" means a separate dwelling place with a kitchen, excluding Dwelling Units in apartments and all Dwelling Units located within manufactured housing parks.

1.5 "**Garbage**" means animal and vegetable wastes resulting from the handling, preparation, cooking, service and consumption of food.

1.6 "**Garbage and Refuse Collection**" or "**Refuse Collection**" means the taking up and collecting of all Garbage and *Refuse* (as defined below) accumulated in containers at single, double, triple, quadruple, six, or eight unit Dwelling Units, including townhomes within the corporate limits of the City. Apartments and manufactured housing parks are excluded from this Agreement.

1.7 "**Receptacle**", unless specifically provided otherwise, whether referred to as "cart", "garbage can", "plastic bag", "suitable container", "cans" or "containers", shall be of such size and form as to permit Collection and handling by one person. A single Receptacle may not exceed 96 gallons.

1.8 "**Recyclable Materials**" shall mean at a minimum newsprint, green, brown, and clear glass (food and beverage) containers, aluminum, steel, bi-metal, and "tin" cans (food and beverage containers), plastic

containers labeled 1, 2 and 5, corrugated cardboard, box board, catalogs, magazines, phone books, hard and soft covered books, and mixed paper. The term mixed paper shall not include paper contaminated with Garbage, paper plates and cups, pizza boxes with grease stains, napkins, waxed paper, carbon paper, restroom paper, used lunch bags, wallpaper, or shredded paper. Other materials may be mutually agreed upon by the City and Contractor.

1.9 **"Recycling Collection"** shall mean the taking and receipt of all Recyclable Materials accumulated in containers at Dwelling Units covered in this Agreement. Collection shall also include transporting the Recyclable Materials to a processing site or end market as determined by Contractor and approved by the City.

1.10 **"Recycling Receptacles"** shall mean one-unit Receptacles in which Recyclable Materials can be stored and later placed at curbside for Collection as approved by the City.

1.11 **"Refuse"** means all wastes which normally result from the operation of a household, except body waste and Garbage, including but not limited to rubbish, metal cans, papers, cardboard, glass jars, bottles, wood, ashes, household construction materials, cement, bricks, furniture, plastics, and any other household Refuse or materials small enough for one person to handle. The term Refuse shall not include *Yard Waste* (as defined below), nor shall it include building materials or other waste or debris resulting from construction or reconstruction of buildings and other improvements by contractors, *White Goods* (as defined below), tires, oil, auto batteries, oil filters, fluorescent lamps, and/or any other items prohibited by law from entering solid waste facilities.

1.12 **"Resident"** shall mean a City resident whose Dwelling Unit receives any type of Collection services provided by Contractor pursuant to the terms of this Agreement.

1.13 **"Tipping Fee"** shall mean the charge per ton assessed to Contractor by the City approved solid waste disposal facility for disposing of Refuse and Garbage. Tipping Fee includes any taxes, fees and/or surcharges and transportation/transload costs to the disposal facility.

1.14 **"Unacceptable Recyclable Materials"** shall mean materials not properly prepared, separated and/or located in accordance with this Agreement as generally accepted recycling practices established by Contractor or materials currently not designated for curbside Collection.

1.15 **"Walk Up Customer"** is a household, approved by the City, which shall receive Garbage, Refuse, Recycling, and Yard Waste service at the household instead of the curbside due to the physical limitations of the Resident.

1.16 **"White Goods"** shall mean household appliances, including but not limited to, clothes washers and dryers, dishwashers, water heaters, residential furnaces, garbage disposals, trash compactors, conventional and microwave ovens, ranges and stoves, air conditioners, dehumidifiers, refrigerators, and freezers. Notwithstanding the statutory definition of "*White Goods*," for the purposes of this Agreement, White Goods shall include consumer electronics.

1.17 **"Yard Waste"** means compostable, organic material consisting of grass clippings and leaves but excluding Brush.

1.18 **"Yard Waste Collection"** means the taking and receipt of all Yard Waste accumulated in *Yard Waste Receptacles* (as defined below) at all Dwelling Units in the City whose Resident elects to purchase the service as described in Section 5. Yard Waste Collection shall also include transportation and transload fees to an approved compost site.

1.19 **"Yard Waste Receptacle"** shall mean any type of container that Contractor uses for Yard Waste Collection. The use of a Yard Waste Receptacle shall be approved by the City.

1.20 **"Yard Waste User Fee"** shall mean the fee charged by Contractor for costs attributable to Collection, transportation, and disposal of Yard Waste at a compost site.

2. Term of Agreement. The term of this Agreement ("**Term**") shall be for a period of five (5) years commencing July 1, 2024 and ending on June 30, 2029. This Agreement may be extended thereafter for a period of five (5) years at the option of the City. To exercise this option, the City must provide Contractor written notice of its election to exercise such right at least one (1) year prior to the expiration of the original Term. Whenever reference is made in this Agreement to the Term of this Agreement, such reference shall include the option period if it is so exercised by the City.

3. Garbage and Refuse Services to be Performed.

3.1 Frequency of Collection: Garbage and Refuse accumulated at Dwelling Units within the corporate boundaries of the City shall be collected at least once a week. Other than weeks incorporating holidays listed in Section 7.8 or weeks in which there is a significant weather or other *Force Majeure* event, Collections shall be done Mondays through Fridays in accordance with the current scheduled Collection day for Residents to avoid service disruption ("**Collection Schedule**"); provided, however, that if Collection falls on a holiday or if a day is lost due to a significant weather event or *Force Majeure* event, the schedule of Collection outlined in Section 7.8 shall apply. A copy of the current Collection Schedule is attached hereto as **Exhibit A**. Any proposed changes to the Collection Schedule must be submitted for approval to the Office of the City Manager, which approval shall not be unreasonably conditioned, withheld or delayed.

3.2 Hours of Regular Collection: Except for unusual weather, traffic or other similar types of conditions or events that slow down traffic, daily Collection hours shall not begin prior to 7:00 a.m. and shall not continue past 5:00 p.m., unless prior permission has been granted by the City Manager, or his or her designee.

3.3 Procedure for Collection and Handling Refuse: All Garbage and Refuse must be handled in such a manner that a minimum of said Refuse is spilled, dropped, strewn, or allowed to remain on, about or around the Dwelling Unit from which it is collected. Contractor shall use commercially reasonable efforts to limit or eliminate Garbage or Refuse from being dropped, strewn, thrown, or in any manner deposited upon any of the streets or sidewalks within the City. Care shall be taken not to damage Receptacles. In performing its professional services hereunder, the Contractor will use a degree of care and skill ordinarily exercised, under similar circumstances, by reputable members of its profession practicing in the same or similar locality at the time the services are provided.

3.4 Disposal of Refuse: All Garbage and Refuse shall be transported to, weighed-in at, and disposed of at a solid waste facility that is approved by the City. The disposition of such material shall be conducted and handled so as to at no time create a nuisance to become injurious to the public health of persons living either within or outside the corporate limits of the City. Contractor shall dispose of Garbage and Refuse at a facility that most cost effectively meets the State of Minnesota Public Entities Processing Requirements under Minnesota Statutes Sections 115A.46, 115A.471, and 473.848 and the Anoka County Solid Waste Master Plan.

3.5 Monthly Reporting: Contractor shall provide tonnage information on Garbage and Refuse collected on a monthly basis. The City may withhold payment for Garbage and Refuse Collection services pending receipt of such information.

3.6 City Events: Contractor shall provide Refuse Receptacles and Collection services for the current festivals and events at no additional charge. The parties agree to negotiate in good faith charges for any new or additional festivals or events.

3.7 Christmas Trees: Contractor shall provide for the disposal of Residents' Christmas Trees during the first two full weeks of each year; provided, however, that if the Christmas tree is over eight (8) feet long, the Resident shall be instructed to first cut it in half before placing it at the curbside and to first remove all decorations, ornaments and stands. Contractor may refuse to collect and dispose of any Christmas tree from a Resident failing to comply with these requirements.

3.8 City Properties: Contractor shall provide Collection and Receptacles to all City owned sites currently including but not limited to City Hall, Public Works Building, Fire Stations, and all City park properties, at no additional charge. All Receptacles shall be readily accessible to Contractor on the Collection days specified by the City. The parties agree to negotiate in good faith charges for any new or additional City buildings or properties.

3.9 Bulky Items: Contractor shall collect any large or bulky items, excluding White Goods, set out for collection. Residents with 96-gallon service are allowed pickup of 6 bulky items each calendar year for no additional charge. For Residents that have either 32-gallon or 64-gallon service, or 96-gallon service but for items after the 6-free-item limit, and wish to have Contractor pick up the extra items at the curb, Resident must call Contractor to schedule pickup and Contractor shall charge the Resident directly for both the trip charge and the disposal cost as set forth under the Bulky Item Fee Schedule on the attached **Exhibit B**. This fee shall not be changed unless by mutual agreement of the City and Contractor. The City shall be entitled to a monthly credit on its obligations due Contractor in an amount equal to the total disposal costs collected by Contractor from the Residents during the prior month pursuant to the terms of this Section 3.9.

4. Recycling Services to be Performed.

4.1 Frequency of Collection: Contractor shall collect all Recyclable Materials on at least an every other week basis. Recyclable Materials shall be collected at all Dwelling Units receiving Garbage and Refuse Collection. Other than weeks incorporating holidays listed in Section 7.8 or weeks in which there is a significant weather or other *Force Majeure* event, Collection of Recycling Materials shall take place on Monday through Friday, inclusive, on the same day as Refuse Collection. If the service day falls on a holiday or if a day is lost due to a significant weather or *Force Majeure* event, the schedule of Collection outlined in Section 7.8 shall apply.

4.2 Hours of Regular Collection: Except for unusual weather, traffic or other similar types of conditions or events that slow down traffic, daily Collection hours shall not begin prior to 7:00 a.m. and shall not continue past 5:00 p.m., unless prior permission has been granted by the City Manager, or his or her designee.

4.3 City Properties: Contractor shall provide Collection, at no additional cost, to all current City and Blaine Economic Development Authority owned sites including but not limited to City Hall, Public Works building, Fire Stations, and all City park properties. All Receptacles shall be readily accessible to Contractor on the Collection days specified by the City. The parties agree to negotiate in good faith charges for any new or additional City buildings or properties.

4.4 City Events: Contractor shall provide Recycling Receptacles and Recycling Collection services for all current Blaine Festivals and City Events at no additional charge. The parties agree to negotiate in good faith charges for any new or additional festivals or events.

4.5 Monthly Reporting: Contractor shall provide to the City tonnage figures based upon scale receipts for the total weight of each Recyclable Material collected including a statement of verification that the scale receipts reflect materials collected only in the City for the particular month in which the reimbursement is being requested. Contractor shall retain scale receipts for a period of time agreed upon by the City and Contractor. Contractor shall also provide the City with a monthly compilation of the number of daily Collections of Recyclable Materials made in the City and the total number of collections possible. The City may withhold payments for Recycling Collection services pending receipt of such information.

4.6 Recycling Marketing, Recycling Proceeds and Disposal Fees: Contractor shall pay to the City all of the proceeds it receives from the applicable recycling facility, if any, arising from the Recyclable Materials it delivers to such facility pursuant to the terms of this Agreement ("**Recycling Proceeds**") and to the extent such Recycling Proceeds are less than disposal fees arising from the disposal of the Recyclable Materials, the City shall pay Contractor the net disposal fees relative to the same. Contractor shall use commercially reasonable efforts to maximize Recycling Proceeds for the City and to minimize the City's disposal costs relative to the same. All Recyclable Materials shall be recycled to the greatest extent possible and Contractor

agrees that it shall not landfill or incinerate the Recyclable Materials without the permission of the City; provided, however, that such permission shall not be unreasonably withheld, conditioned or delayed in the event local recycling facilities limit or no longer accept any or all of the current items set forth in the definition of Recyclable Materials.

4.7 Single Sort: Recyclable Materials may be commingled in the Recycling Receptacles supplied by Contractor.

4.8 Ownership: All Recyclable Materials placed for Collection become and remain the responsibility and ownership of the City until delivered to and received by a recycling processing facility. Upon request of the City, Contractor shall use commercially reasonable efforts to assist the City in identifying the Resident to any Recyclable Materials for which the City has responsibility and ownership by way of this Section 4.8.

4.9 Notice to Residents: Contractor will be required to provide written notice to a Resident if the Resident's Recyclable Materials are left for Collection in an unacceptable condition. The notice shall be on forms acceptable to the City informing the Resident that their Recyclable Materials were in an unacceptable condition for Collection. The notice shall also give instructions for the proper preparation of Recyclable Material and the phone number of Contractor and the City's Recycling Coordinator. Contractor shall collect the Unacceptable Recyclable Materials on the first occurrence. Contractor can notify the Resident of the proper procedure. Subsequent Collection of Unacceptable Recyclable Material may be refused; however, this shall be reported to the City, in accordance with the above procedure.

4.10 White Goods Collection and Fees: Contractor shall offer Dwelling Units a White Goods pick up service. White Goods must be picked up within three (3) working days (Monday through Friday) of a request from a Dwelling Unit. Contractor shall bill the Resident directly for this service as this is a private business arrangement between Contractor and the interested Residents. The City shall not be a party to any such agreements. The White Goods Fee Schedule is set forth on the attached **Exhibit B**.

4.11 Community Education Recycling Promotion: Contractor shall provide City-wide community education recycling promotion mailers annually. The City shall retain editorial control of and approve methods of distribution for all mailers.

5. Yard Waste Services to be Performed.

5.1 Yard Waste Collection and Fees: Contractor shall offer Yard Waste Collection services to any interested Residents. Yard Waste service shall not be a part of the City's solid waste and recycling service contract with Contractor, but rather a separate, subscription service as a private business arrangement between Contractor and the interested Residents. All Yard Waste shall be placed in a Yard Waste Receptacle. Residents shall be solely responsible for opting in with Contractor for Yard Waste Collection, and Contractor shall separately and directly bill and collect fees from such Residents who opt in for Yard Waste Collection. Yard Waste shall be kept unmixed from other types of Garbage or Refuse. The Yard Waste User Fee Schedule is set forth on the attached **Exhibit B**.

5.2 Frequency of Collection: Contractor shall collect all Yard Waste from all participating Dwelling Units at least once a week during Yard Waste season (April through November weather permitting) during the Term of this Agreement. Other than weeks incorporating holidays listed in Section 7.8 or weeks in which there is a significant weather or other *Force Majeure* event, Collection of Yard Waste shall take place on Monday through Friday, inclusive, on the same day as Refuse Collection. If the service day falls on a holiday or if a day is lost due to a significant weather or *Force Majeure* event, the schedule of Collection outlined in Section 7.8 shall apply. Except for unusual weather, traffic or other similar types of conditions or events that slow down traffic, daily Collection hours shall not begin prior to 7:00 a.m. and shall not continue past 5:00 p.m., unless prior permission has been granted by the City Manager, or his or her designee.

5.3 Brush: Contractor shall collect all Brush set out for Collection, up to (ten) 10 bags or bundles, by Residents at no extra charge, as long as it is prepared in a manner mutually agreed upon by Contractor and the City.

5.4 Approved Facility: Contractor shall be responsible for disposal of Yard Waste at a composting facility approved by the City. No Yard Waste shall be disposed of at a solid waste disposal facility. Currently, Contractor is transporting Yard Waste to Elk River Composting. If the approved Yard Waste compost site changes during the term of this Agreement, the parties will negotiate an adjustment relative to the transportation and processing costs of the Yard Cost Collection in good faith.

5.5 Monthly Reporting: Contractor shall provide tonnage information on Yard Waste collected on a monthly basis during Yard Waste season (April through November).

6. Contractor's Equipment.

6.1 Contractor shall supply all equipment, labor, and materials necessary to complete Collection, hauling, disposal and/or processing of all Garbage, Refuse, Yard Waste and Recyclables from participating Dwelling Units.

6.2 Contractor's name or firm name, together with phone number, shall be presented in legible letters, not less than five (5) inches in height, on both sides and rear of all trucks and conveyances used in the City in performance of this Agreement. Vehicles should be equipped with warning flashers, back- up alarms, and a broom and shovel, in good usable condition, shall be placed and maintained on each truck.

6.3 Contractor shall place all Garbage, Refuse, Yard Waste, and Recyclables it collects in water tight metal receptacles or vehicles with closed tops constructed so that the contents will not leak or spill therefrom. Such receptacles or vehicles shall be kept as clean and as free from all offensive odors as possible and not be allowed to stand in any street, alley or other place longer than is reasonably necessary to collect Garbage and Refuse.

6.4 Contractor shall use equipment, mutually agreed upon by the parties, that is similar in size and configuration to the equipment already in use in the City for Garbage, Refuse, Recycling, and Yard Waste Collection.

7. Contractor's Operations and Residents' Obligations.

7.1 Contractor shall establish and maintain within the City or in a location approved by the City Manager, an office with continuous supervision for accepting complaints and customer calls. The office shall be in service during the hours of 8:00 a.m. until 5:00 p.m. on all days except Saturday, Sunday and legal holidays as specified in Section 7.8 of this Agreement and days when no Collection is to be made. The address and telephone number of such office and any changes therein shall be given to the City in writing.

7.2 The City may appoint inspectors who may have access to inspect Contractor's equipment and records at reasonable times and with reasonable advance notice.

7.3 Contractor must maintain and provide on a monthly basis an electronic database of all complaints arising as a result of Contractor's services to the City within fifteen (15) days of the end of the month. This record shall include the following information: name and address of caller, date of call, date of incident, driver/operator information, problem, resolution, and time/day of resolution. Contractor will provide this information along with monthly tonnage reports. All complaints shall be answered courteously and promptly by a customer support representative employed by Contractor.

7.4 Whenever the City or Resident notifies Contractor of verified locations which have not received scheduled service, assuming the Resident had his or her Receptacles at the curbside of their abutting street by 7:00 a.m. on the scheduled day of Collection, Contractor shall be required to service such locations before 5:00 p.m. of the same day when notified prior to noon. When notified after noon, Contractor shall service such locations not later than the following day, excluding Sundays or Holidays.

7.5 Contractor shall report to the City any observed violations of ordinances pertaining to Garbage and Refuse Collection, Recyclable Material Collection and Yard Waste Collection.

7.6 Contractor shall comply with ordinances of the City, County and laws or regulations of the State of Minnesota and its agencies related to Collection and disposal of Garbage and Refuse, Yard Waste, and Recycling in effect during the Term of this Agreement. Contractor shall keep all equipment used in the performance of the work in good operating condition and in a clean, sanitary condition. Equipment is subject to periodic inspection by the City. All of Contractor's facilities within the City of Blaine shall meet all applicable current City codes and operational standards. Failure to do so may result in termination of this Agreement under Section 12.1.

7.7 Contractor must obtain all pertinent licenses from the City, County, and State.

7.8 Contractor shall not be required to make regular Collections of Garbage, Yard Waste, Refuse or Recyclable Material on a day in which there is a significant weather or other *Force Majeure* event or on the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, or Christmas Day; provided, that the week's schedule shall be completed regardless of the holiday or significant weather or other *Force Majeure* event, which means Collection is then deferred one day. In such situations, Contractor will be allowed to collect routes on Saturdays from 7:00 a.m. to 5:00 p.m. It shall be Contractor's responsibility to notify Residents of any changes in the Collection Schedule as a result of a holiday.

7.9 Contractor's employees shall handle all Receptacles with reasonable care to avoid damage, shall replace all Receptacles in an upright position, and shall immediately clean up and dispose of any contents thereof which may be spilled. All Garbage, Yard Waste and Recycling Receptacles shall be replaced where found. They shall not be placed or thrown on the streets, highways or on adjoining property. Contractor, its agents, or employees shall not throw or drop Receptacles from the truck to the pavement or in any way break or damage or roughly handle the same. Except for Receptacles damaged by a Resident's negligent or intentional acts, Contractor shall repair or replace all broken Receptacles at no additional charge. Contractor may charge the Resident directly to repair or replace a Receptacle damaged by the Resident's negligent or intentional act.

7.10 Contractor shall, in due diligence effort, avoid using residential streets within the city limits as shortcuts when conducting any activities related to this contract, including but not limited to collection, delivery, or service provision. For the purposes of this provision, "residential streets" shall be defined as any streets primarily used for residential purposes, including streets with predominantly residential properties and where pedestrian and vehicular traffic associated with residential dwellings is prevalent. The term "due diligence effort" as used in this provision implies that the Contractor shall exercise reasonable and conscientious efforts to plan and execute routes that do not utilize residential streets as shortcuts, with the goal of minimizing disruption and inconvenience to residents and preserving the safety and tranquility of residential areas.

7.11 All employees of Contractor shall be dressed in clean uniforms which provide suitable identification and shall exhibit a courteous attitude toward the City's residents and the general public.

7.12 Subject to Section 3.1 above, the City Manager or his or her designee shall be notified in writing, and must agree to any Collection day changes prior to the occurrence of said changes. Contractor is responsible for notifying the affected Dwelling Units of any Collection day changes.

7.13 Contractor shall provide Collection service to Walk Up Customers. These addresses shall have prior written approval by the City.

7.14 Contractor shall have at least one supervisor in the City at all times during regular Collection for Garbage, Recycling, and Yard Waste.

7.15 The City and Contractor expressly agree that Contractor is independent and not an employee, agent, or joint venture with the City. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between the City and Contractor or any employee or agent of Contractor. Both parties acknowledge that Contractor is not an employee for state or federal tax purposes.

7.16 Resident Obligations: The City shall require that all Residents (except for Walk Up Customers) place their Receptacles and/or approved containers that contain Garbage and Refuse, Recycling Materials or Yard Waste at the curbside of their abutting city street by 7:00 a.m. on the scheduled day of Collection.

8. Payment.

8.1 The City shall compensate Contractor for Collection of Garbage, Refuse, and Recyclable Materials upon the basis of the total number of Dwelling Units serviced, less any employees of Contractor that are eligible for free service as part of Contractor's employment policy. Each Resident electing Yard Waste Collection shall directly compensate Contractor such collection in accordance with Section 5.

8.2 Periodic additions or deductions in the number of Dwelling Units collected shall be subject to verification and agreement between the City and Contractor. Such adjustments may not be made more often than once per month.

8.3 During the period of this Agreement, the City shall pay to Contractor, on or before the 30th of each month, for Garbage, Refuse, and Recyclable Materials Collection performed by Contractor during the preceding calendar month, the monthly rates set forth on the attached **Exhibit B**.

8.4 Tipping Fees, Recycling Proceeds and Disposal Costs: The City shall pay Contractor, on a monthly basis, the actual monthly Tipping Fees for Garbage and Refuse delivered to a solid waste disposal facility, as defined in Section 3.4 above. In addition, if the Recycling Proceeds are less than the disposal costs for Recyclable Materials, as described in Section 4.6 above, the City shall pay Contractor, on a monthly basis, the net of the actual recycling disposal fees less the Recycling Proceeds actually received by Contractor. However, if the actual Recycling Proceeds received by Contractor are greater than the actual disposal fees for Recyclable Materials, Contractor shall pay the City, on a monthly basis, the net thereof.

8.5 Any tipping/processing rebates received from the State or County shall be passed through to the City in their entirety.

9. Insurance.

9.1 Prior to the commencement of services under this Agreement, copies of all required insurance policies shall be submitted to the City for review. Contractor agrees to remain fully insured during the course of this Agreement as follows:

9.1.1 Comprehensive general liability insurance including premises operations coverage, personal and advertising injury coverage, completed operations coverage, independent contractor's coverage and contractual liability coverage, covering the indemnity agreement under Section 10, with limits not less than \$2,000,000 combined single limit, including bodily injury liability and property damage liability.

9.1.2 Workers' compensation insurance and employers' liability insurance as required by law.

9.1.3 Comprehensive automobile, bodily injury and property damage liability insurance, including coverage for all owned and hired vehicles and employers' non ownership liability coverages. Limits of liability should be for not less than \$2,000,000 combined single limit bodily injury and property damage liability.

9.1.4 Contractor shall name the City as an additional insured on such insurance and shall furnish evidence of the same to the City.

9.1.5 The policy shall be a standard form policy provided for by a carrier approved by the State of Minnesota and shall not contain any exclusion's that will restrict coverage on any operations performed by this Contractor or any subcontractors thereof.

9.1.6 The policy or policies shall afford contractual liability coverage to provide coverage for the indemnification agreement set out in Section 10.

9.1.7 It is a condition of this Agreement that the policy or policies waive any or all governmental immunity as a defense in any action brought against the insured or any other party to this Agreement.

9.1.8 The policy shall provide full insurance to cover all of Contractor's operating exposure including the picking up of the materials and the operation of vehicles.

9.1.9 Approval of the insurance by the City shall not in any way relieve or decrease the liability of Contractor hereunder, and it is expressly understood that the City does not in any way represent that the above specified insurance or limits of liability are sufficient or adequate to protect Contractor's interests or liabilities.

9.2 Property Insurance: All responsibility for maintaining property insurance on any premises or structures owned or operated by Contractor remains solely with Contractor, who may at its option insure against any other perils, and such responsibility shall remain with Contractor until such time as this Agreement is terminated.

9.3 Notice of Cancellation or Non-Renewal: The City shall be given at least thirty (30) days prior written notice of any cancellation, termination or material modification of the required insurance coverages.

9.4 Deductibles: All responsibility for payment of any sums resulting from any deductible provisions, corridor, or self-insured retention conditions of the policy or policies shall remain with Contractor.

9.5 Subcontractor Insurance Review. The Contractor is responsible to review and ensure all subcontractors comply with the insurance provisions as required in this Section 9 and said insurance is maintained as specified.

9.6 The Contractor policy or policies, as required in Section 9.1, shall be primary insurance and non-contributory to any other valid and collectible insurance available to the City with respect to any claim arising out of the Contractor's performance under the Agreement.

9.7 The City reserves the right to immediately terminate this Agreement if the Contractor is not in compliance with the insurance requirements and retains all rights to pursue any legal remedies against the Contractor.

10. Indemnification. Other than the intentionally wrongful or negligent acts or omissions of the City or any of its agents or employees, which acts or omissions shall remain the sole liability of the City, Contractor shall indemnify, defend and hold harmless the City, its elected and appointed officials, officers, agents, representatives and/or employees, and the Blaine Economic Development Authority from and against all claims, damages, losses, costs or expenses, including reasonable attorney fees (collectively, the "**Claim**"), which may be asserted against the City or the Blaine Economic Development Authority for which it may be held liable, to any extent resulting from the negligence or willful misconduct of Contractor, its employees, agents, representatives, or subcontractors, in the performance of this Agreement.

11. Performance Standards and Damages.

11.1 Except for *Force Majeure* events, Contractor agrees that the City may, after written notice and a reasonable opportunity to cure, fine Contractor and deduct from payment the amounts specified below as liquidated damages for failure of Contractor to fulfill its obligations. The City will notify Contractor in writing documenting the nature of the violation, the history of the account, if any, and the reason for the fine.

Contractor may address and remedy the failure at which point the City will determine if a fine is still appropriate, in its reasonable determination. If Contractor disagrees as to the applicability of the fine, the City may then pursue the fine through mediation or litigation pursuant to Section 16 below. Contractor must notify the City in writing of its remedial action.

11.1.1 Failure or neglect to clean up solid waste spilled by Contractor within six (6) hours of oral or written notification - \$100.00 each occurrence.

11.1.2 Failure or neglect to maintain vehicle in a manner that prevents nuisances such as leaky seals or hydraulics - \$500.00 each occurrence.

11.1.3 Failure or neglect to collect Garbage, Refuse, Recycling, Yard Waste, or large/bulky items after either oral or written notice by the City - \$500.00 each occurrence.

11.1.4 Failure or neglect to provide notice to involved Resident when Garbage and Refuse, Recyclables, Yard Waste, or large/bulky items are refused for Collection for cause - \$100.00 each occurrence.

11.1.5 Repeated failure or neglect to correct problems will be considered a breach of contract - \$500.00 each occurrence.

11.1.6 Failure or neglect to abide by the City's regular Collection hours - \$500.00 each occurrence.

11.1.7 Missing entire blocks or neighborhoods. A missed block is defined as a block where Residents from at least three households within two intersections of that block or cul-de-sac report that their material was out before 7:00 a.m., which report is confirmed by Contractor's records, the material was not picked up after either oral or written notice from the City and the addresses did not appear on the records as unacceptable setouts - \$1,000.00 each occurrence.

11.1.8 District-wide Collection not completed. The failure to complete a majority (50% or more) of pickups within a City Collection district on the scheduled Collection day without following proper notification procedure - \$5,000.00 per occurrence.

11.2 Upon reasonable advance notice, Contractor shall provide access to the City, or any of its duly authorized representatives, at reasonable times, to review any books, documents, papers, and records of Contractor which are directly pertinent to this Agreement for the purpose of making an audit, or examination and preparing excerpts and transcriptions.

12. Termination.

12.1 Either party shall have the right to terminate this Agreement if in that party's reasonable judgment there has been and remains an uncured material breach of any provision hereof by the other party. Continuing breach or a party's failure to promptly take legal action to enforce this Agreement shall not be a waiver or release.

12.2 Upon the failure of Contractor to fulfill any of the provisions of this Agreement, after reasonable notice to Contractor and the opportunity to perform, the City Manager shall be authorized to hire such persons and equipment, or assign City employees and equipment, as may be necessary to do such work. The cost of such expenses thereof may be charged and deducted from any monies due Contractor or collected from Contractor, or collected by recourse to Contractor's bond or financial guarantee.

12.3 If Contractor accumulates six (6) or more uncontested fines in a 6-month period of time, the City shall have the right to terminate this Agreement under Section 12.1.

12.4 Notwithstanding the above sections, a party shall not be in breach and the other party shall have no right to terminate this Agreement unless the breaching party fails to cure said breach or fails to perform

within fifteen (15) days of written notice from the non-breaching party to the breaching party; provided, however, that if such default cannot be reasonably cured within such fifteen (15) day period, the breaching party shall be entitled to reasonable additional time within which to effect a cure so long as such cure is commenced within that fifteen (15) day period and the breaching party thereafter diligently prosecutes the cure to completion. As to Contractor, the breach or failure to perform must be cured to the reasonable satisfaction of the City Manager.

13. Non-discriminatory Practices. Minnesota Statutes Section 181.59, which prohibits discrimination on account of race, creed or color in the performance of public contracts, is made part of this Agreement with the same force and effect as if set forth herein verbatim.

14. Successors and Assigns. Contractor binds itself, its successors, executors, administrators and assigns to the City in respect to all covenants of this Agreement, except that Contractor shall not assign or transfer any part of its interest in this Agreement, nor shall Contractor assign any monies due, or to become due, without the City's written consent, which consent shall not be unreasonably withheld, delayed or conditioned. Notwithstanding the foregoing the contrary, Contractor may assign or transfer this Agreement, without the City's prior written consent, to: (i) a corporation or other entity into which or with which Contractor is merged or consolidated; (ii) a corporation or other entity acquiring this Agreement and/or all or substantially all of the other assets of Contractor; or (iii) a corporation or other entity with which Contractor is or may become affiliated.

15. Force Majeure. Whenever a period of time is provided for in this Agreement for either the City or Contractor to do or perform any act or obligation, neither party shall be liable for any delays or inability to perform due to causes beyond the control of said party such as a significant weather event, a pandemic, plague, epidemic, outbreak of infectious disease, or any other public health crisis, including quarantine or other employee restrictions and any governmental rules and regulations relating thereto, terrorist act, war, riot, unavoidable casualty or damage to personnel, materials or equipment, fire, flood, storm, earthquake, tornado or any act of God, strike or lockout other than their own strike or lockout and other causes beyond a party's control whether or not of the same class or kind as specifically named above. The time period for the performance in question shall be extended only for the actual amount of time said party is so delayed.

16. Dispute Resolution.

16.1 Any controversy or claim arising out of or relating to this Agreement or the breach of this Agreement ("**Dispute**") shall be settled according to the terms of this Section 16. The parties to this Agreement shall attempt in good faith to promptly resolve any Dispute by mutual agreement. If the Dispute cannot be resolved by mutual agreement such Dispute may be resolved by either mediation or litigation.

16.2 Governing Law and Venue: All issues concerning this Agreement will be governed by and construed in accordance with the laws of the State of Minnesota. In the event the parties are unable to resolve a Dispute in accordance with Section 16.1 and legal proceedings are commenced by either party such legal proceedings shall be venued in the County of Anoka or in the Federal District Court for the state of Minnesota and the parties hereby consent to the exclusive jurisdiction of such courts.

16.3 Costs, Expenses, Attorneys' Fees: In case either party shall, without fault on its part, be made a party to any litigation commenced by or against the other or if a party shall employ an attorney to enforce the covenants and agreements of the other party under this Agreement, then the prevailing party shall be entitled to all of its costs, expenses and reasonable attorney's fees incurred or paid in connection with such litigation or enforcement of the other party's covenants and agreements.

16.4 Interest: If either party fails to pay or reimburse to the other party any sum of money payable under this Agreement, the defaulting party shall be obligated to pay interest on such sum equal to eight (8%) percent per year or the highest rate of interest then permitted by law, whichever is less.

17. Data Practices. This Agreement is subject to the Minnesota Government Data Practice Act, Minnesota Statutes Chapter 13 (Data Practices Act). All government data, as defined in the Data Practices

Act Section 13.02, Subd 7, which is created, collected, received, stored, used, maintained, or disseminated by Contractor in performing any of the functions of the City during performance of this Agreement is subject to the requirements of the Data Practice Act and Contractor shall comply with those requirements as if it were a government entity.

18. CPI Increases. The annual CPI price increase for certain services, as referenced in **Exhibit B**, will be calculated by using the annual change in the *Consumer Price Index(CPI) for Garbage and Trash Collection* from July 1 to June 30 of each year. If such CPI has increased during that period, that percentage increase will then be applied to increase the price of the applicable services effective on the following January 1st. For the avoidance of doubt, if the *Consumer Price Index(CPI) for Garbage and Trash Collection* increases by 3.5% during the period from July 1, 2024 through June 30, 2025, then the price for the applicable services will be increased by 3.5% and the increased price will become effective on January 1, 2026. The CPI adjustment can be found at bls.gov/cpi/tables/supplemental-files/ and looking up Garbage and Trash Collection in the CPI-U Table.

19. Interim Fuel Adjustment. While the parties recognize that the CPI increase referenced in Section 17 above contemplates annual changes in fuel pricing, given the volatility and unpredictability of the price of fuel, the parties agree that in the event of a substantial increase in the price of fuel at any time during the Term of this Agreement, Contractor may, upon written notice to the City, request to reopen pricing negotiations in an effort to recover its increased operational costs due to such change in the price of fuel and if Contractor provides such notice, both parties agree to negotiate in good faith whether pricing will be increased in excess of the CPI increase. To illustrate the problem, if the price of fuel increases from \$3.00 to \$6.00 during the period from July 1, 2024 through August 31, 2024, the CPI increase that would become effective on January 1, 2025, 5-6 months later, would not even contemplate that significant increase in fuel pricing. But for this Section 19, Contractor would have to wait 18 months, continuing to pay the higher fuel prices that entire time, before the CPI adjustment contemplating this increase would become effective on January 1, 2026. Therefore, the parties agree that Contractor need not wait until the next CPI adjustment if there is a substantial increase in the price of fuel. Notwithstanding, in the event the parties agree to an increase in pricing to permit Contractor its increased operational costs due to such change in the price of fuel the parties shall reevaluate the renegotiated price annually in consideration of the CPI (as provided above) and market conditions and negotiate in good faith to determine if the agreed upon increase in pricing remains necessary for the Contractor to recover an increase in operational costs. For elimination of doubt, the parties acknowledge and agree that upon agreement to increase pricing in accordance with this Section 19, such increase shall not automatically be subject to the annual CPI increase as provided in Section 18, but instead, scheduled annual increase shall be subject to review and potential negotiation by the parties in consideration of the fuel prices.

20. Severability. Whenever possible, each provision of this Agreement will be interpreted in such a manner to be effective and valid under applicable law. If any provision of this Agreement is held to be invalid, illegal, or unenforceable in any respect under any applicable law or rule, in any jurisdiction, such invalidity, illegality, or unenforceability will not affect any other provision or the effectiveness or validity of any provision in any other jurisdiction, and the remaining provisions of this Agreement will continue in full force without being impaired or invalidated in any way.

21. Whole Agreement. This Agreement embodies the entire agreement between the parties including all prior understandings and agreements and may not be modified except in writing signed by all the parties.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above shown.

CITY OF BLAINE

WALTERS RECYCLING AND REFUSE, INC.

Timothy Sanders, Mayor

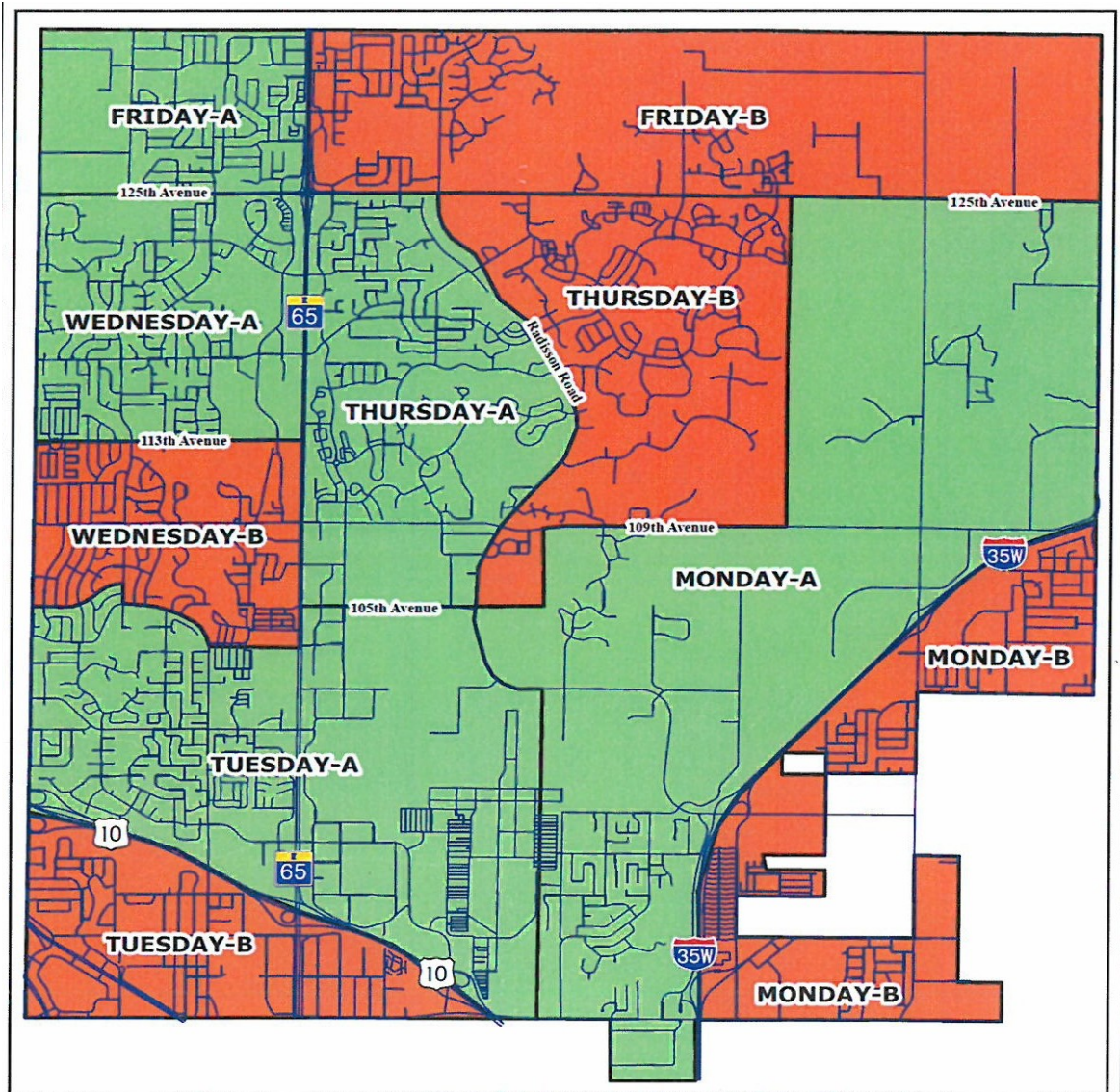
By: _____
Its: President

Michelle Wolfe, City Manager

EXHIBIT A

Current Collection Schedule

Garbage & Recycle Days



City of Blaine, MN

Walters Recycling Refuse
City of Blaine Contract
Exhibit B - Pricing

Bulk Item Schedule

	Trip & Handling Charge	Disposal	2024	1-Jul-24	2025	2026	2027	2028	2029	2030
Bathtub	\$ 56.93	\$ 14.23	\$ 71.17	\$ 71.17	\$ 73.30	\$ 75.50	\$ 77.77	\$ 80.10	\$ 82.50	\$ 84.98
Bed	\$ 34.16	\$ 8.54	\$ 42.70	\$ 42.70	\$ 43.98	\$ 45.30	\$ 46.66	\$ 48.06	\$ 49.50	\$ 50.99
Bike	\$ 28.47	\$ 7.12	\$ 35.59	\$ 35.59	\$ 36.66	\$ 37.76	\$ 38.89	\$ 40.06	\$ 41.26	\$ 42.49
Bookshelf	\$ 22.78	\$ 5.70	\$ 28.48	\$ 28.48	\$ 29.33	\$ 30.21	\$ 31.12	\$ 32.05	\$ 33.01	\$ 34.00
Bulk- Large	\$ 56.93	\$ 14.23	\$ 71.17	\$ 71.17	\$ 73.30	\$ 75.50	\$ 77.77	\$ 80.10	\$ 82.50	\$ 84.98
Bulk- Medium	\$ 34.16	\$ 8.54	\$ 42.70	\$ 42.70	\$ 43.98	\$ 45.30	\$ 46.66	\$ 48.06	\$ 49.50	\$ 50.99
Bulk- Small	\$ 22.78	\$ 5.70	\$ 28.48	\$ 28.48	\$ 29.33	\$ 30.21	\$ 31.12	\$ 32.05	\$ 33.01	\$ 34.00
Cabinet	\$ 33.22	\$ 8.31	\$ 41.53	\$ 41.53	\$ 42.77	\$ 44.06	\$ 45.38	\$ 46.74	\$ 48.14	\$ 49.59
Car Seat	\$ 22.78	\$ 5.70	\$ 28.48	\$ 28.48	\$ 29.33	\$ 30.21	\$ 31.12	\$ 32.05	\$ 33.01	\$ 34.00
Carpet (Per Roll)	\$ 3.46	\$ 0.87	\$ 4.33	\$ 4.33	\$ 4.46	\$ 4.59	\$ 4.73	\$ 4.87	\$ 5.02	\$ 5.17
Chair- Kitchen Type	\$ 22.78	\$ 5.70	\$ 28.48	\$ 28.48	\$ 29.33	\$ 30.21	\$ 31.12	\$ 32.05	\$ 33.01	\$ 34.00
Chair- Upholstered	\$ 34.16	\$ 8.54	\$ 42.70	\$ 42.70	\$ 43.98	\$ 45.30	\$ 46.66	\$ 48.06	\$ 49.50	\$ 50.99
Childs Toy/Playset	\$ 22.78	\$ 5.70	\$ 28.48	\$ 28.48	\$ 29.33	\$ 30.21	\$ 31.12	\$ 32.05	\$ 33.01	\$ 34.00
Christmas Tree -Fake	\$ 22.78	\$ 5.70	\$ 28.48	\$ 28.48	\$ 29.33	\$ 30.21	\$ 31.12	\$ 32.05	\$ 33.01	\$ 34.00
Couch - Loveseat 2 seater	\$ 34.16	\$ 8.54	\$ 42.70	\$ 42.70	\$ 43.98	\$ 45.30	\$ 46.66	\$ 48.06	\$ 49.50	\$ 50.99
Couch - Recliner/Sleeper	\$ 76.64	\$ 19.16	\$ 95.80	\$ 95.80	\$ 98.68	\$ 101.64	\$ 104.69	\$ 107.83	\$ 111.06	\$ 114.40
Couch- Regular 3 seater	\$ 56.93	\$ 14.23	\$ 71.17	\$ 71.17	\$ 73.30	\$ 75.50	\$ 77.77	\$ 80.10	\$ 82.50	\$ 84.98
Construction Debris	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Desk - Small	\$ 34.16	\$ 8.54	\$ 42.70	\$ 42.70	\$ 43.98	\$ 45.30	\$ 46.66	\$ 48.06	\$ 49.50	\$ 50.99
Door	\$ 34.16	\$ 8.54	\$ 42.70	\$ 42.70	\$ 43.98	\$ 45.30	\$ 46.66	\$ 48.06	\$ 49.50	\$ 50.99
Dresser	\$ 34.16	\$ 8.54	\$ 42.70	\$ 42.70	\$ 43.98	\$ 45.30	\$ 46.66	\$ 48.06	\$ 49.50	\$ 50.99
Electronic - Large	\$ 89.48	\$ 22.37	\$ 111.85	\$ 111.85	\$ 115.21	\$ 118.66	\$ 122.22	\$ 125.89	\$ 129.67	\$ 133.56
Electronic - Medium	\$ 65.79	\$ 16.45	\$ 82.24	\$ 82.24	\$ 84.71	\$ 87.25	\$ 89.87	\$ 92.57	\$ 95.34	\$ 98.20
Electronic - Small	\$ 45.55	\$ 11.39	\$ 56.94	\$ 56.94	\$ 58.65	\$ 60.41	\$ 62.22	\$ 64.09	\$ 66.01	\$ 67.99
Entertainment Center	\$ 56.93	\$ 14.23	\$ 71.17	\$ 71.17	\$ 73.30	\$ 75.50	\$ 77.77	\$ 80.10	\$ 82.50	\$ 84.98
Exercise Equipment	\$ 76.64	\$ 19.16	\$ 95.80	\$ 95.80	\$ 98.68	\$ 101.64	\$ 104.69	\$ 107.83	\$ 111.06	\$ 114.40
Fan	\$ 22.78	\$ 5.70	\$ 28.48	\$ 28.48	\$ 29.33	\$ 30.21	\$ 31.12	\$ 32.05	\$ 33.01	\$ 34.00
Fence Post (EA)	\$ 22.78	\$ 5.70	\$ 28.48	\$ 28.48	\$ 29.33	\$ 30.21	\$ 31.12	\$ 32.05	\$ 33.01	\$ 34.00
File Cabinet 2+ Drawer	\$ 34.16	\$ 8.54	\$ 42.70	\$ 42.70	\$ 43.98	\$ 45.30	\$ 46.66	\$ 48.06	\$ 49.50	\$ 50.99
File Cabinet 2 Drawer	\$ 22.78	\$ 5.70	\$ 28.48	\$ 28.48	\$ 29.33	\$ 30.21	\$ 31.12	\$ 32.05	\$ 33.01	\$ 34.00
Garage Door Tracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gas Grill - No Tank	\$ 45.54	\$ 11.39	\$ 56.93	\$ 56.93	\$ 58.64	\$ 60.40	\$ 62.21	\$ 64.07	\$ 66.00	\$ 67.98
Grill - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hospital Bed	\$ 56.93	\$ 14.23	\$ 71.17	\$ 71.17	\$ 73.30	\$ 75.50	\$ 77.77	\$ 80.10	\$ 82.50	\$ 84.98
Humidifier	\$ 34.16	\$ 8.54	\$ 42.70	\$ 42.70	\$ 43.98	\$ 45.30	\$ 46.66	\$ 48.06	\$ 49.50	\$ 50.99
Ironing Board	\$ 22.78	\$ 5.70	\$ 28.48	\$ 28.48	\$ 29.33	\$ 30.21	\$ 31.12	\$ 32.05	\$ 33.01	\$ 34.00
Lamp	\$ 22.78	\$ 5.70	\$ 28.48	\$ 28.48	\$ 29.33	\$ 30.21	\$ 31.12	\$ 32.05	\$ 33.01	\$ 34.00
Lawnmower- Drained	\$ 45.54	\$ 11.39	\$ 56.93	\$ 56.93	\$ 58.64	\$ 60.40	\$ 62.21	\$ 64.07	\$ 66.00	\$ 67.98
Lumber	\$ 34.16	\$ 8.54	\$ 42.70	\$ 42.70	\$ 43.98	\$ 45.30	\$ 46.66	\$ 48.06	\$ 49.50	\$ 50.99
Mattress - Crib	\$ 22.78	\$ 5.70	\$ 28.48	\$ 28.48	\$ 29.33	\$ 30.21	\$ 31.12	\$ 32.05	\$ 33.01	\$ 34.00
Mattress - King	\$ 56.93	\$ 14.23	\$ 71.17	\$ 71.17	\$ 73.30	\$ 75.50	\$ 77.77	\$ 80.10	\$ 82.50	\$ 84.98
Mattress/Box spring	\$ 45.54	\$ 11.39	\$ 56.93	\$ 56.93	\$ 58.64	\$ 60.40	\$ 62.21	\$ 64.07	\$ 66.00	\$ 67.98
Pallets	\$ 11.39	\$ 2.85	\$ 14.24	\$ 14.24	\$ 14.66	\$ 15.10	\$ 15.56	\$ 16.02	\$ 16.51	\$ 17.00
Patio Umbrella	\$ 56.93	\$ 14.23	\$ 71.17	\$ 71.17	\$ 73.30	\$ 75.50	\$ 77.77	\$ 80.10	\$ 82.50	\$ 84.98

Walters Recycling Refuse
City of Blaine Contract
Exhibit B - Pricing

Satellite Dish	\$	34.16	\$	8.54	\$	42.70	\$	42.70	\$	43.98	\$	45.30	\$	46.66	\$	48.06	\$	49.50	\$	50.99
Sink	\$	34.16	\$	8.54	\$	42.70	\$	42.70	\$	43.98	\$	45.30	\$	46.66	\$	48.06	\$	49.50	\$	50.99
Swing Set	\$	121.67	\$	30.42	\$	152.08	\$	152.08	\$	156.64	\$	161.34	\$	166.18	\$	171.17	\$	176.31	\$	181.59
Table - Glass/Patio	\$	56.93	\$	14.23	\$	71.17	\$	71.17	\$	73.30	\$	75.50	\$	77.77	\$	80.10	\$	82.50	\$	84.98
Table- Kitchen/Dining	\$	34.16	\$	8.54	\$	42.70	\$	42.70	\$	43.98	\$	45.30	\$	46.66	\$	48.06	\$	49.50	\$	50.99
Table - Small/End	\$	22.78	\$	5.70	\$	28.48	\$	28.48	\$	29.33	\$	30.21	\$	31.12	\$	32.05	\$	33.01	\$	34.00
Television - Large	\$	56.93	\$	14.23	\$	71.17	\$	71.17	\$	73.30	\$	75.50	\$	77.77	\$	80.10	\$	82.50	\$	84.98
Television - Small	\$	56.93	\$	14.23	\$	71.17	\$	71.17	\$	73.30	\$	75.50	\$	77.77	\$	80.10	\$	82.50	\$	84.98
Tire	\$	22.78	\$	5.70	\$	28.48	\$	28.48	\$	29.33	\$	30.21	\$	31.12	\$	32.05	\$	33.01	\$	34.00
Toilet	\$	34.16	\$	8.54	\$	42.70	\$	42.70	\$	43.98	\$	45.30	\$	46.66	\$	48.06	\$	49.50	\$	50.99
Vacuum	\$	22.78	\$	5.70	\$	28.48	\$	28.48	\$	29.33	\$	30.21	\$	31.12	\$	32.05	\$	33.01	\$	34.00
Water Softener	\$	34.16	\$	8.54	\$	42.70	\$	42.70	\$	43.98	\$	45.30	\$	46.66	\$	48.06	\$	49.50	\$	50.99
Wheel Barrow	\$	34.16	\$	8.54	\$	42.70	\$	42.70	\$	43.98	\$	45.30	\$	46.66	\$	48.06	\$	49.50	\$	50.99
Window	\$	22.78	\$	5.70	\$	28.48	\$	28.48	\$	29.33	\$	30.21	\$	31.12	\$	32.05	\$	33.01	\$	34.00
White Goods				\$	85.00	\$	85.00	\$	87.55	\$	90.18	\$	92.88	\$	95.67	\$	98.54	\$	101.49	

*Increase will be per paragraph 18 of the agreement - Amounts shown are for illustration purposes.

Yard Waste Fee Schedule

		2024	1-Jul-24	2025	2026	2027	2028	2029	2030
Yard Waste Collection	\$	126.00	\$ 149.00	\$ 162.41	\$ 177.03	\$ 192.96	\$ 210.33	\$ 229.25	\$ 249.89
Per Bag Charge	\$	4.50	\$ 4.64	\$ 4.77	\$ 4.92	\$ 5.06	\$ 5.22	\$ 5.37	\$ 5.53

*Increase will be per paragraph 18 of the agreement - Amounts shown are for illustration purposes.

Garbage/Refuse and Recycling Hauling Rates

		2024	1-Jul-24	2025	2026	2027	2028	2029	2030
Garbage/Refuse	\$	8.59	\$ 11.25	\$ 11.59	\$ 11.94	\$ 12.29	\$ 12.66	\$ 13.04	\$ 13.43
Recycling	\$	4.05	\$ 4.18	\$ 4.30	\$ 4.43	\$ 4.56	\$ 4.70	\$ 4.84	\$ 4.99
Total	\$	12.64	\$ 15.43	\$ 15.89	\$ 16.37	\$ 16.86	\$ 17.36	\$ 17.88	\$ 18.42

*Increase will be in paragraph 18 of the agreement. The amounts shown are for illustration purposes.

Disposal Charge

****Estimate- will pass through cost per disposal contract**

				2024	1-Jul-24	2025	2026	2027	2028	2029	2030
Garbage/Refuse	Per Ton		\$	67.93	\$ 72.00	\$ 76.32	\$ 80.90	\$ 85.75	\$ 90.90	\$ 96.35	\$ 102.13
		Established									
Recycling	Per Ton	each month	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a



Refuse Contract and 2024 Refuse Enterprise Fund Budget

Council Workshop | Finance

10/02/2023

Slide 1

Agenda

- ▶ Refuse Contract
- ▶ 2024 Refuse Budget



Slide 2

Refuse Contract

Coordinated City-wide Residential Collection



Slide 3



How Service is Charged

- ▶ Collect and transport waste
 - ▶ Typically referred to as "hauling fees"
 - ▶ The current, and proposed contract charge the same fee regardless of cart size
 - ▶ Hauling fees are paid directly to Walters as part of the city's contract
- ▶ Dispose of collected waste
 - ▶ Typically referred to as "tipping fees"
 - ▶ Tipping fees are a pass-through cost charged by the waste facility based on weight

Walters Contract

- ▶ Walters was awarded the contract to provide coordinated hauling for residential accounts starting in 2015.
 - ▶ Headquartered in Blaine
- ▶ Largest single municipal contract in the State of Minnesota
- ▶ The initial contract was for 5 ½ years
- ▶ In 2019 Council approved an extension through June 2024





Partnership with Walters

- ▶ Adjusted recycling cart sizes, resulting in a 30% increase in recycling
- ▶ Increased awareness of circumstances where unlimited bulk services was taken advantage of, resulting in cost savings to residents and the city
- ▶ Established an organic waste drop-off program
- ▶ Favorable terms negotiated on the city's behalf for waste disposal tipping fees

Slide 6

Service History

- ▶ Per the existing contract, Walters must document and promptly address all concerns.
- ▶ From June 1, 2019 – July 28, 2023
 - ▶ Walters received 326 complaint calls
 - ▶ This equates to approximately 42 complaints for every 1,000,000 carts tipped
- ▶ Per Walters, the most common complaints received are listed below:
 - ▶ Missed pickup
 - ▶ Grass clipping or trash/recycling left in the street
 - ▶ The cart was left in a different place in the driveway
 - ▶ Cart exchanges were not completed on the day requested





September 7, 2022 Workshop

- ▶ Staff presented Council with the status of the refuse contract and options to secure service upon expiration of the existing contract:
 - ▶ Request for Proposals (RFP)
 - ▶ Under Minnesota State Statutes professional service agreements aren't subject an RFP or sealed bidding process
 - ▶ Requires lead time to prepare, solicit, and award
 - ▶ Direct negotiation
- ▶ Council voiced general support to an alternative to the RFP process
 - ▶ Before providing guidance, Council requested staff research hauling contracts and rates of other communities with organized refuse hauling.

Slide 8

December 5, 2022 Workshop

- ▶ Council was provided with the fee structure comparison of cities with organized collection
 - ▶ Blaine was one of 13 known cities in the metro area with organized collection
 - ▶ Blaine's fees for garbage and recycling were the lowest of 13 communities compared
- ▶ Council direction was to waive the RFP process and to directly negotiate with Walters
 - ▶ The City Attorney was also directed to participate in all discussions and contract review



Slide 9



Actions Taken in 2023

February	Initial contract drafted
April	City staff provided comments
May	Meetings between city staff and Walters
August	Walters provided comments
September	City staff, Walters, and City Attorney generated proposed agreement

Proposal – CPI Adjustment Process

- ▶ Proposal to utilize the Consumer Price Index (CPI) for garbage and trash collection
 - ▶ Walters has implemented on renewal of all municipal contracts
 - ▶ Provides a metric-based approach
 - ▶ Eliminates arbitrary numbers
 - ▶ Nationwide figure
- ▶ Six contracts were collected by the city that show CPI as the basis used to set yearly rates

City	Hauler
New Brighton	Republic Services
Saint Anthony Village	Aspen Waste
Shoreview	Foth Infrastructure & Environment
Spring Lake Park	Walters
Columbia Heights	Walters
Osseo	Walters





Proposal – Interim Fuel Adjustments

- ▶ Good faith provision
- ▶ Allows Walters to request a price increase if fuel costs substantially increase
- ▶ If initiated, both Walters and the City must negotiate in good faith
- ▶ Any increase is not automatically subject to the annual CPI adjustment
- ▶ Ultimately up to the City whether to grant the request

Slide 12

Historical and Proposed Monthly Hauler Rates

	2016	2017	2018	2019	2020	2021	2022	2023	2024 (Jan-Jun)	2024 (Jul-Dec)
Garbage	\$6.65	\$6.87	\$7.10	\$7.33	\$7.57	\$7.82	\$8.07	\$8.33	\$8.60	\$11.25
Recycling	\$3.13	\$3.23	\$3.34	\$3.45	\$3.56	\$3.68	\$3.80	\$3.92	\$4.05	\$4.18
Total	\$9.78	\$10.10	\$10.44	\$10.78	\$11.13	\$11.50	\$11.87	\$12.25	\$12.65	\$15.43
Contract Increase %		3.27%	3.37%	3.26%	3.25%	3.32%	3.22%	3.20%	3.27%	21.98%
CPI Observed Increase %		2.33%	3.79%	3.43%	3.26%	4.13%	5.87%	7.72%		
Difference		-0.94%	0.42%	0.17%	0.01%	0.81%	2.65%	4.52%		

Slide 13

Proposed 2024 Residential Rates

- ▶ Adjusting 38- and 68-Gallon Services
 - ▶ Over the past years, the 38 and 68-gallon carts have been priced at a net loss to the Refuse Fund
 - ▶ These carts have been offset by customers on the large (premium) 96-gallon cart size
 - ▶ The proposed rates better align service cost with residential hauling fees
 - ▶ Results in larger percentage increase for these cart sizes
- ▶ City Rate and Service Comparison

Cart Size Refuse	Customers	2023 Rate	2024 Rate	Change (\$)	Change (%)
96 – Gallon	13,294	\$66.00	\$71.00	\$5.00	7.6%
68 – Gallon	5,264	\$52.50	\$60.00	\$7.50	14.3%
38 – Gallon	3,925	\$42.00	\$52.00	\$10.00	23.8%
Senior/Reduced	159	\$33.00	\$35.50	\$2.50	7.6%

Slide 14

Metro Comparisons

City	96 Gallon	68 Gallon	32 Gallon	Notes
Blaine (2024)	\$ 71.00	\$ 60.00	\$ 52.00	Proposed 2024 Rates
St. Louis Park	145.88	95.18	66.86	Includes Yard/Waste
Robbinsdale	124.23	110.82	98.34	
St. Paul	116.39	104.26	74.35	
White Bear Lake	112.96	79.83	51.08	
Columbia Heights	103.80	88.23	85.37	
Hopkins	95.40	85.05	73.05	
Ham Lake (2024)	85.32	77.25	60.09	2024 Rates
Champlin	76.92	64.02	51.06	
Vadnais Heights (2024)	73.35	61.98	54.00	2024 Rates
Forest Lake	71.25	66.78	62.34	
Circle Pines	63.69	48.15	37.29	
Average	95.02	78.46	63.82	





Questions for Council

- ▶ Does the Council support the proposed Garbage, Refuse, Recyclable Materials, and Yard Waste Collection Services agreement with Walters Recycling and Refuse, Inc.?
- ▶ Does the Council support the proposed 2024 residential rates?



2024 Refuse Budget

Slide 17



Enterprise Fund

Definition: a public service that generates sufficient revenues to pay for its cost.

Refuse Fund Overview

Purpose

- To account for the city's refuse and recycling program including:
 - Residential solid waste and curbside recycling
 - City Facility solid waste and recycling
 - Dropoff Organics recycling program
 - Monthly Saturday recycling event
 - Roadkill clean-up and disposal

Background

- Funding Sources:
 - Quarterly cart fees charged to residents on utility bill
 - SCORE Grant
- Expenses
 - Contract fees paid to city's refuse and recycling provider
 - Marketing and professional services designed to encourage recycling, operation of the organics recycling program, billing fees, and chargebacks to the General Fund for administrative support

Revenues



- ▶ Quarterly per cart fee collected from city residents

Cart Size Refuse	Customers	2023 Rate	2024 Rate	Change (\$)	Change (%)
96 – Gallon	13,294	\$66.00	\$71.00	\$5.00	7.6%
68 – Gallon	5,264	\$52.50	\$60.00	\$7.50	14.3%
38 – Gallon	3,925	\$42.00	\$52.00	\$10.00	23.8%
Senior/Reduced	159	\$33.00	\$35.50	\$2.50	7.6%

- ▶ SCORE Grant (Anoka County)
 - ▶ Aimed to encourage recycling
 - ▶ Reimbursement of recycling related expenditures

Expenditures

- ▶ Primary expense is contract fees for service
 - ▶ Increase in 2024 contract for monthly per household fees
 - ▶ January through June 2024 - \$0.40
 - ▶ June through December 2024 - \$2.78
- ▶ Recyclables marketed at a favorable rate in recent years

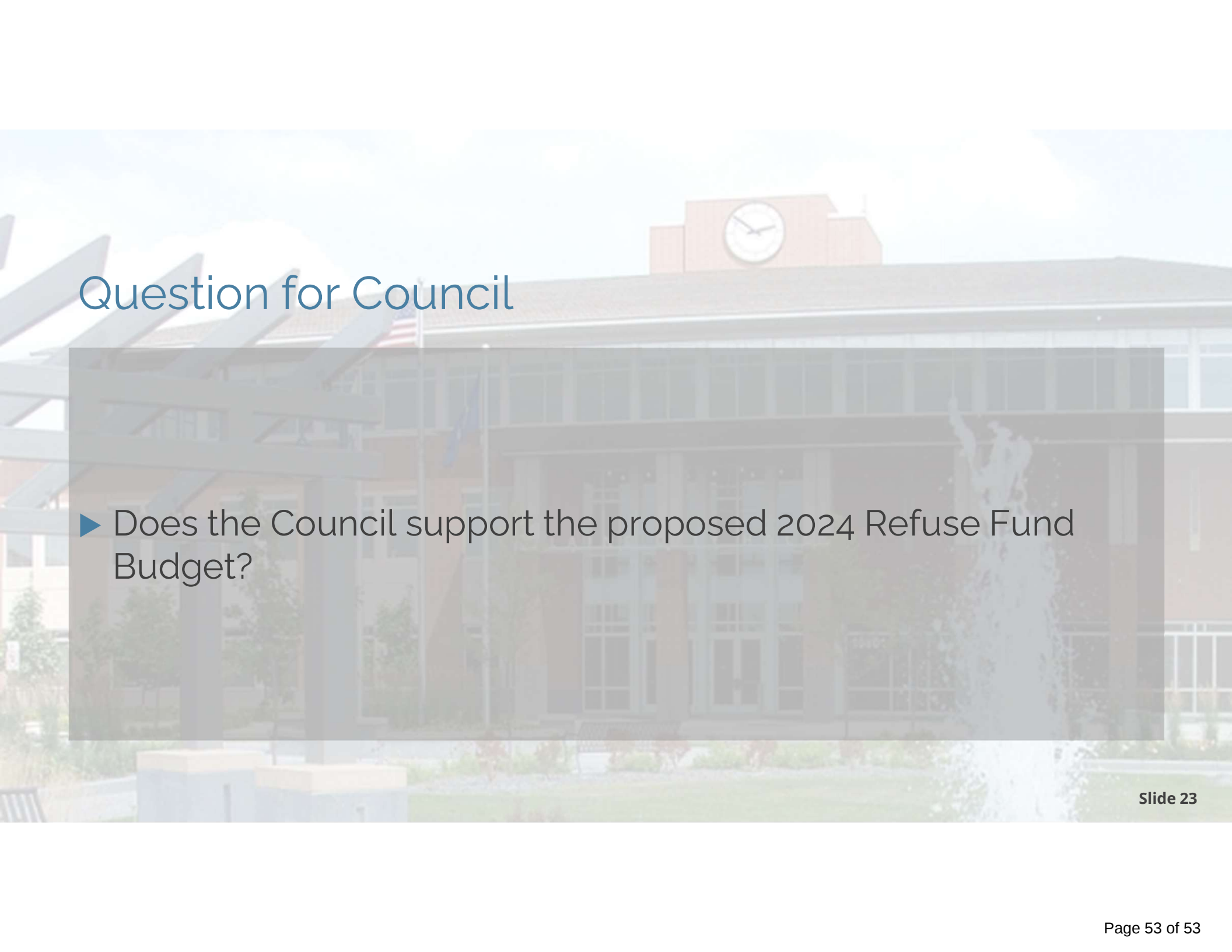
Contract expenditures – by category (\$ thousands)							
	2018	2019	2020	2021	2022	2023 Projected	2024 Budget
Hauling Fees	\$2,613.86	\$2,734.31	\$2,859.30	\$2,993.23	\$3,127.19	\$3,319.42	\$3,918.51
Tipping Fees	\$1,345.80	\$1,104.06	\$1,238.77	\$1,317.34	\$1,300.73	\$1,421.19	\$1,526.87
Recyclables	\$0.00	\$220.77	\$169.77	\$(167.51)	\$(395.00)	\$(16.52)	\$0.00

Slide 21

2024 Refuse Budget

	2022 Actual	2023 Adopted	2024 * Proposed	Change from 2023 Amount Percent	
Beginning Fund Reserve	\$ 649,721	\$ 1,030,543	\$ 1,169,183		
REVENUES AND OTHER SOURCES					
Charges for services	4,733,511	4,921,440	5,683,600	762,160	15.5%
Intergovernmental - SCORE	66,151	138,000	203,456	65,456	47.4%
Interest	(12,863)	500	-	(500)	-100.0%
Total revenues and other sources	4,786,799	5,059,940	5,887,056	827,116	16.3%
EXPENDITURES AND OTHER USES					
Supplies	-	2,000	-	(2,000)	-100.0%
Contracted Refuse service	4,202,406	4,693,600	5,445,400	751,800	16.0%
Other Contractual services	43,864	60,000	63,000	3,000	5.0%
Administrative Charges	152,000	157,700	165,800	8,100	5.1%
Other services and charges	7,707	8,000	300	(7,700)	-96.3%
Total expenditures and other uses	4,405,977	4,921,300	5,674,500	753,200	15.3%
Increase (Decrease) in Fund Reserve	380,822	138,640	212,556		
Ending Fund Reserve	\$ 1,030,543	\$ 1,169,183	\$1,381,739		

* The 2024 Proposed Budget assumes the contract with Walter's and the proposed 2024 user rates are adopted by Council



Question for Council

- ▶ Does the Council support the proposed 2024 Refuse Fund Budget?