

Management of Brooks Landfill

**Public Works & Utilities
Environmental Health Division**

September 27, 2016



Brooks C&D Landfill

- Private operator cancelled contract 12/1/15
- City has been operating landfill since then to maintain service level
 - Disposal of City waste saves \$1.5 M / year (\$5,860 / day)
 - City is dependent on revenue (\$ 1.6M – 2M projected in 2016)

Transition



- Short-term: City keeps landfill open
- Staff has analyzed financial implications of long-term operations and fee structure to find optimum model
- Staff has recommendations for Council consideration

Models considered

City operations: Direct management using City staff

Split revenue contract: City splits tipping fee revenue with a private contract operator

Flat fee contract: City pays a private contract operator a flat fee

Fixed revenue contract: Private contractor pays City a flat rate

Close Brooks to the public: Reduce operations; accept only City waste

Close Brooks altogether: Dispose of City waste at alternate landfill

Assumptions

Revenue and Expenses

- Maintain current disposal rate (50,000 pay tons per year)
- Revenue held constant or adjusted annually for CPI
- Expenses are adjusted for inflation
- C&D Phase III cell will provide ~31 years capacity
- Analysis includes operational costs and contractor profit

Assumptions (cont.)

Long-term Liabilities

- Future C&D cell closure costs
- Municipal Solid Waste (MSW) post-closure care until 2033
- Landfill continues to support Alley / Public Property & Neighborhood Cleanup Programs (currently \$536,500/year)
- \$1M commitment to Parks Dept. for development of Crystal Prairie Lake Park

Long-term Impact

Scenario 1: Constant revenue; Cleanup programs funded
 Est. Landfill Fund balance as of 7/1/16: **\$14,631,517**

Approach	Revenue	Expenses	Liabilities	Total Net	Balance in 2047
City Operations	\$ 59M	\$ (47M)	\$ (58M)	\$ (46M)	\$ (31M)
Split Revenue	\$ 59M	\$ (59M)	\$ (58M)	\$ (58M)	\$ (43M)
Fixed Rate	\$ 59M	\$ (57M)	\$ (58M)	\$ (55M)	\$ (41M)
Fixed Revenue	\$ 59M	\$ (61M)	\$ (58M)	\$ (60M)	\$ (45M)
Close to Public	\$ -	\$ (23M)	\$ (58M)	\$ (81M)	\$ (66M)
Close	\$ -	\$ (74M)	\$ (54M)	\$ (128M)	\$ (113M)

Long-term Impact

Scenario 2: Constant revenue; Cleanup programs NOT funded
 Est. Landfill Fund balance as of 7/1/16: **\$14,631,517**

Approach	Revenue	Expenses	Liabilities	Total Net	Balance in 2047
City Operations	\$ 59M	\$ (47M)	\$ (33M)	\$ (21M)	\$ (6M)
Split Revenue	\$ 59M	\$ (59M)	\$ (33M)	\$ (33M)	\$ (18M)
Fixed Rate	\$ 59M	\$ (57M)	\$ (33M)	\$ (31M)	\$ (16M)
Fixed Revenue	\$ 59M	\$ (61M)	\$ (33M)	\$ (35M)	\$ (20M)
Close to Public	\$ -	\$ (23M)	\$ (33M)	\$ (56M)	\$ (41M)
Close	\$ -	\$ (74M)	\$ (30M)	\$ (104M)	\$ (89M)

Long-term Impact

Scenario 3: Increasing revenue; Cleanup programs funded
 Est. Landfill Fund balance as of 7/1/16: **\$14,631,517**

Approach	Revenue	Expenses	Liabilities	Total Net	Balance in 2047
City Operations	\$ 89M	\$ (47M)	\$ (58M)	\$ (16M)	\$ (1M)
Split Revenue	\$ 89M	\$ (59M)	\$ (58M)	\$ (28M)	\$ (13M)
Fixed Rate	\$ 89M	\$ (57M)	\$ (58M)	\$ (25M)	\$ (11M)
Fixed Revenue	\$ 89M	\$ (61M)	\$ (58M)	\$ (30M)	\$ (15M)
Close to Public	\$ -	\$ (23M)	\$ (58M)	\$ (81M)	\$ (66M)
Close	\$ -	\$ (74M)	\$ (54M)	\$ (128M)	\$ (113M)

Long-term Impact

Scenario 4: Increasing revenue; Cleanup programs NOT funded
 Est. Landfill Fund balance as of 7/1/16: **\$14,631,517**

Approach	Revenue	Expenses	Liabilities	Total Net	Balance in 2047
City Operations	\$ 89M	\$ (47M)	\$ (33M)	\$ 9M	\$ 24M
Split Revenue	\$ 89M	\$ (59M)	\$ (33M)	\$ (3M)	\$ 12M
Fixed Rate	\$ 89M	\$ (57M)	\$ (33M)	\$ (1M)	\$ 14M
Fixed Revenue	\$ 89M	\$ (61M)	\$ (33M)	\$ (6M)	\$ 10M
Close to Public	\$ -	\$ (23M)	\$ (33M)	\$ (56M)	\$ (41M)
Close	\$ -	\$ (74M)	\$ (30M)	\$ (104M)	\$ (89M)

Recommendation / Next Steps

11

- Recommend City staff continue operating Brooks Landfill
- 9 temporary positions will become permanent
- Staff will bring Council a resolution which allows the tipping fee to be automatically adjusted according to the Consumer Price Index (CPI)

Management of Brooks Landfill

**Public Works & Utilities /
Environmental Health Division**
Serving You, In Many Ways, Every Day

