

## **WORKING SESSION - SEPTEMBER 14, 1992**

The working session of the Ann Arbor City Council was called to order at 7:34 p.m. in the City Hall Council Chamber by Mayor pro tem Larry Hunter.

### **ROLL CALL OF COUNCIL**

**PRESENT:** Councilmembers Larry Hunter, Kirk D. Dodge, Peter Fink, Robert C. Grady, Nelson K. Meade, Kurt Zimmer, Peter Nicolas, Thais Anne Peterson, Robert Eckstein, 9.

**ABSENT :** Mayor Elizabeth S. Brater, 1.

### **MATERIALS RECOVERY FACILITY PROCUREMENT**

City Council held a discussion concerning procurement of the proposed materials recovery facility with members of the Solid Waste Commission and City staff members Bryan Weinert, Resource Recovery Manager, and Rob Bauman, Assistant City Administrator for Environmental Services.

Mr. Weinert reviewed the materials recovery facility site location and procurement process. He reported that the facility would be located on a five-acre wooded parcel in the middle of the Ann Arbor Landfill, the site previously designated for Phase III. Mr. Weinert presented an overview of the three major vendors (Resource Recovery Systems, Container Recovery Inc., and Browning-Ferris Industries), and stated that vendors were asked to bid on three different assumptions to determine whether processing higher tonnage rates at the facility would economically benefit the City.

Mr. Weinert reported that a draft contract is being developed between the City and University of Michigan for MRF services. He stated that the best arrangement for both parties seems to be a "preferred" customer relationship, in which the University would be guaranteed certain prices and access to the facility by the City over the long-term.

Assistant Administrator Bauman presented the staff's preliminary report from the Materials Recovery Facility/Waste Transfer Station Review Committee which includes the overall scoring of the vendors and the economic and non-economic advantages and disadvantages of each proposal.

Mr. Bauman stated that all top three-rated vendors are highly qualified and that the decision is basically between an out-of-town facility or construction of a City-owned facility.

Mr. Bauman reported that the BFI proposal is the least costly for first-year operations, since no capital investment is needed for a City-owned facility, but that BFI requires a flat tipping fee regardless of the revenue from material sales. He noted that since the City is already paying for processing services with Recycle Ann Arbor, paying for a MRF will have a small impact on the City's budget.

Mr. Bauman stated that, of the four alternatives for long-term solid waste processing and waste transfer services listed in the preliminary report, the staff believes that Alternatives #3 and #4 offer the best options. Alternative #3 would send all collected recyclables (commercial and residential) to BFI's MRF, with other refuse loads trucked directly to the BFI Landfill. Alternative #4 would include the construction of a City-owned and privately operated MRF/waste transfer station at the Ann Arbor Landfill, to be operated by either CRINC or RRS, with non-recoverable waste shipped to the BFI Landfill.

#### REPORTS FILED

The following reports were placed on file in the City Clerk's Office:

1. "Preliminary Report to City Council Concerning the Procurement of a Materials Recovery Facility (MRF) and Waste Transfer Station";
2. "City of Ann Arbor Materials Recovery Facility and Waste Transfer Station Tonnage Assumptions";
3. Table 1. Discounted 10-Year Net Cost per Ton Given Different Volumes;
4. Table 2. Discounted 10-Year Net Cost per Ton Given Different Recycling Levels (Case A);
5. Table 3. Anticipated Year 1 Benefits to the City from UM Tons Under Different Revenue Sharing Arrangements - Case B1; and
6. Table 4. Anticipated Year 1 Benefits to the City from All Merchant Tons Under Different UM Revenue Sharing Arrangements - Case B.

**ADJOURNMENT**

There being no further business to come before Council, the Chair declared the meeting adjourned at 9:41 p.m.

W. Northcross  
Clerk of the Council

Janet L. Chapin  
Recording Secretary