

**COMMITTEE ON ADMINISTRATION AND FINANCE**

**NOVEMBER 12, 1996**

Committee Members Present:

Michael Pollock (Chairman), James Hayes, Carolyn Kearns, Esther Patt, Marya Ryan, John Taylor, and Joseph Whelan

Committee Members Absent:

None

Staff Members Present:

Bruce Walden, Rod Fletcher, Bill Gray, Tim Fitzpatrick, Chief Pessemier, Mayor Satterthwaite and Phyllis Clark

Others Present:

Judy Wyatt, Ben Thomason, Thomas B. Berns, and Members of the News Media

Meeting Location:

City Council Chambers

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There being a quorum, the meeting was called to order at 7:35 p.m. by Chairman Pollock.

**Additions to the Agenda and Staff Report**

There were no additions to the agenda.

Ms. Kearns announced that there will be a presentation by the Champaign Urbana Library Task Force at 7:00 p.m. on Thursday, November 21, in the Champaign City Council Chambers.

**Minutes of Previous Meeting**

Ms. Patt moved to approve the minutes of the October 14, 1996 regular meeting of the Committee on Administration and Finance. The motion was seconded by Mr. Whelan and carried by a voice vote.

**Public Input**

Thomas B. Berns, representing Clark-Lindsey Village,

was present to answer any questions regarding the discussion of Clark-Lindsey Industrial Revenue Bonds.

Judy Wyatt, 1202 E. Harding, addressed the Committee regarding on-street parking and other parking issues regarding handicapped persons.

Ben Thomason, 1111 Philo Road, addressed the Committee regarding the U-Cycle program.

### **Preliminary Discussion - Clark-Lindsey Industrial Revenue Bonds**

Chief Administrative Officer Bruce Walden stated that Clark-Lindsey has requested that the City of Urbana issue \$2.4 million in revenue bonds on behalf of Clark-Lindsey. This is similar to the bond issuances that have been done in the past wherein the City of Urbana has no risk or responsibility for the issuance that has passed on to the bond holders.

The use of these funds involves the expansion and remodeling of kitchen facilities and refinancing of a portion of their prior debt.

Staff recommends approval on this when it comes before Council. There is no risk to the taxpayers.

No action was required on this item.

### **U-Cycle Discussion/Budget Amendment**

Public Works Director Bill Gray and Environmental Manager Rod Fletcher addressed the Committee regarding the report on the expanded U-Cycle program. The purpose of this report was to present Council the costs that would be incurred to provide an expanded program pursuant to the directions they have been working toward for the past months.

Mr. Fletcher stated that the program has two components, processing and collection.

Earlier this summer, the City issued requests for proposals for collection and processing services. The Public Works Department submitted one of the best proposals for collection.

The best proposal for processing services received had been submitted by CRC, however that became invalid with the closing of CRC in August.

Staff has pursued negotiations with two processors; ABC Recycling and Weyerhaeuser Recycling to secure recycling services for a commingled collection.

The program as presently proposed would be to collect all the materials originally planned except for #3 through #7 plastic resin containers. The materials collected would be: newspapers, magazines, cardboard, residential mixed paper, food and beverage glass containers (clear, green and brown), aluminum and steel cans, and #1 and #2 plastic containers.

Based on various participation rates, there was a quote from Weyerhaeuser which was \$162,300 a year. ABC Recycling presented a service package in which the first 700 tons of materials would be processed for \$600 per ton. All tonnages over 700 would be processed for \$55.00 per ton. There would be an annual cap in which the City would pay no more than \$70,000 to ABC Recycling. ABC presented a plan to share the revenues for all tonnages that would be in excess of 700 tons per year. City revenues for those materials could be from \$3,000 to \$5,000 yearly. The term of the agreement would be for three years.

Staff feels that the ABC proposal is the best of the two proposals.

The Recycling Tax was originally adopted by Council in 1995. The cost estimated to provide recycling services was estimated at \$2.00 per month. At that point, the City was seeing the markets in a high position. Due to a plunge in the markets over the past few months, it is important that Council remember that the \$2.00 figure was based largely upon collection costs and it was envisioned that processing costs would be minimal.

The revenues received as a result of the recycling tax revenues totaled \$127,394; with market revenues in FY9596 amounting to \$1,866. Total Revenues for 1995 were \$129,260. Total expenses were \$105,281; leaving a fund balance of \$23,977 which is carried forward into the current fiscal year.

Revenues for FY9697 are expected to be \$243,750. A portion of the fund balance will be required to make expenses meet revenue in FY9697, leaving a fund balance of approximately \$19,409.

Responding to a question from Mr. Whelan regarding IMRF transfers, Mr. Fletcher stated that in FY9596, a large amount of that is attributed to the fact that there were no regular full time employees, but several part time positions filling the

collector vacancies. We did not incur a reflective cost for regular full time employees. The program will require full time positions.

Mr. Fletcher stated that the \$45,572 Debt Service is made up of two items; recycling vehicles which would be amortized and annualized cost for the containers.

Mr. Fletcher stated that according to the plan, the recycling fee would go to \$2.55 and it is anticipated to go to \$2.69 in the next fiscal year.

Mr. Taylor inquired if it was possible that there could be a limited expansion of the program and keep the budget within \$2.00 per month?

Mr. Fletcher stated that the current collection vehicles are very old and need to be replaced as soon as possible. Based on purchasing vehicles, the estimated figures would incur expenses of approximately \$211,800. That already makes the figure \$2.18. That would utilize anticipated revenues and would deplete a significant amount of the fund balance. Maintaining the current program for FY9798 would also be \$2.18.

Mr. Gray stated that if the City was to try to keep the fee to \$2.00 per household per month, there might need to be a second look at using the private sector for these services.

Mr. Whelan inquired of Mayor Satterthwaite if he felt there was another way that would be more cost effective? Mr. Satterthwaite responded that in Champaign they are having problems controlling recycling and getting it done universally citywide. That, as an alternative solution is problematic.

Following further debate, Chairman Pollock moved that staff is requested to bring to Council appropriate ordinance amendments to eliminate the recycling tax, provide for the continuation of the dropoff site, and require that all licensed haulers provide expanded recycling services. The motion was seconded by Mr. Whelan.

Chairman Pollock stated that he had been a staunch supporter of the U-Cycle program all the way through the original discussions with the haulers. The continuation of this program has been a driving force behind all the solid waste policy that has been reviewed over the past 15 years.

Looking at what the City is faced with now, there are three possibilities that the Council can entertain:

1. To go ahead and increase the tax and expand the services as recommended.
2. See what the City can buy for the money that is already being taken in with the tax.
3. Get out of the recycling business.

When the tax was passed, it was a way to continue and expand the recycling program. When that was done, people who were against the tax came to meetings and stated that they knew it was not enough money and after it is passed, there would be an increase and the public will not have any input.

The reason the City got into the program was not for profit but because it was the environmentally correct thing to do. Mr. Pollock stated that he is not willing to raise the tax when we don't know where it is going to go.

Mr. Pollock stated that the tax increase is a violation of what the Council had pledged to do.

Ms. Patt spoke against the motion stating that she is not willing to scrap the U-Cycle program. It is a very popular program. People like the program because it encourages participation countywide and you can actually see the participation.

Ms. Ryan stated her opposition to the motion saying that it is directly contrary to the position she took when she ran for office. There needs to be a system in place to get people to recycle. Recycling not only saves on landfill space, but raw materials also.

Ms. Kearns stated her support for recycling. There is concern by the citizens because Council stated that the tax amount would be permanent and now it is being raised. Given the uncertainty of the market, the motion is a very sensible way to have recycling and she supports the motion.

Mayor Satterthwaite stated that he cannot support the motion. It is a very drastic reversal of what the City has been doing. The City has evaluated Champaign's system and even though they mandate that the haulers participate in the recycling program, there is no enforcement system to require it be done.

Mr. Whelan spoke in support of the motion stating that the haulers can do the recycling cheaper and more efficiently.

In response to Mr. Hayes' question regarding whether the motion includes determining what can be done for the \$2.00, Chairman Pollock stated that it does not. The \$2.00 will not guarantee us what we have now because in all the programs we heard, we have to buy two new trucks.

The intent of this motion is to make sure that these services are continued to everyone.

Mr. Taylor suggested that this be discussed at the next meeting to give everyone a chance to think about it as this is a big change. Mr. Taylor stated that he supports the motion.

Chairman Pollock stated that he has no objection to discussing this further at the Committee on Environment & Public Safety and that would be the motion at this point. The motion was seconded by Mr. Whelan.

Ms. Kearns stated that the concerns that other people have could be built into an ordinance.

The motion to discuss Chairman Pollock's motion at the Committee on Environment & Public Safety carried by a voice vote.

**Amendment Of Section 14-6 Of The Code To Provide For Pro-rata Refunds Of 3:00 A.M. To 10:00 A.M. Parking Permits**

Mayor Satterthwaite stated that this comes to Committee as a result of requests from constituents throughout the 3 to 10 A.M. parking area. There have been people that have purchased the \$135.00 parking permit and found that they would not have use for it. Currently there is no mechanism for refunding any portion of that fee. This amendment would make the ordinance more user friendly, allowing a refund on a pro-rated basis.

Ms. Kearns moved to send **Amendment Of Section 14-6 Of The Code To Provide For Pro-rata Refunds Of 3:00 A.M. To 10:00 A.M. Parking Permits** to Council for approval. The motion was seconded by Ms. Ryan and carried by voice vote.

**Adjournment**

There being no further business to come before the Committee, Chairman Pollock declared the meeting adjourned at 8:55 p.m.

Respectfully submitted,

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November 12, 1996  
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Elaine Taylor  
Recording Secretary

\*This meeting was taped.  
\*\*This meeting was broadcast on cable television.