



CITY OF URBANA, ILLINOIS
DEPARTMENT OF PUBLIC WORKS

ADMINISTRATION

M E M O R A N D U M

TO: Bruce K. Walden, Chief Administrative Officer

FROM: Michael J. Brunk, City Arborist
William R. Gray, P. E., Public Works Director

DATE: September 18, 2003

RE: *Landscape Recycling Center {LRC}, Amended Agreement*

INTRODUCTION

The attached two ordinances will approve their respective intergovernmental agreements between the City of Champaign, Champaign County, and the City of Urbana for operation of the Landscape Recycling Center (LRC), and authorize the Mayor to execute the agreements.

BACKGROUND

Purpose of the Landscape Recycling Center:

The Landscape Recycling Center [LRC] is a disposal site for yard waste materials operating under a permit issued by the Illinois Environmental Protection Agency (IEPA). Materials delivered to the site are composted and made available for use by homeowners, gardeners, landscapers, and others. The site is open to the public and generates revenues by charging for disposal of materials and sale of composted materials.

Current LRC Agreement Provisions:

The current agreement guarantees access to the site for the members, provides for joint ownership of equipment at the site, provides for the City of Urbana to operate the site, and for revenues generated from site operations to pay site expenses. User fees cover facility expenses. The agreement provides that each of the three agencies pay up to \$15,000 to cover any annual operating deficiencies, expenses that are not covered by revenues (user fees). Termination of the agreement by any party is provided for if the annual operating deficiencies should exceed \$45,000 (\$15,000 for each party).

Proposed Changes to the Existing Agreement:

The new agreement has several significant changes:

1. The County is no longer a party to the operation of the LRC and gives up all interest in the existing site equipment. County use of the site is extremely limited, and they have indicated their desire to be relieved of the responsibility for the site. The County will, because of its obligations under State law, still have access to information related to site operations.
2. A second change is to establish a reservation of funds for refurbishment or replacement of two buildings at the site. One building houses the attendant and cashier, and the second building is an equipment storage building. The agreement provides for up to \$40,000 annually to be contributed to the Vehicle, Building, and Equipment Replacement Fund [VBERF] from site revenues.
3. A third change is the increase of the operating reserve from \$45,000 to \$300,000. This operating reserve would cover annual shortfalls and provide up to one year's annual revenue for the operation of the facility under extraordinary circumstances. Interest from the reserve would accrue and be shown as site revenue. A reserve of this amount would greatly reduce the likelihood that agency contributions would be required. As with all site funding, the reserves would be developed from user fees at the site.

Champaign County Opt Out Agreement:

A second agreement is necessary to relinquish the County in participating in the operation and control of the LRC.

FISCAL IMPACT

The LRC site has operated with a surplus of revenues over expense since 1992 and currently has operating reserves of \$147,277. The agreement provides a potential contribution of up to \$15,000 from Urbana if site expenses exceed revenues, but only if the operating reserves were expended.

RECOMMENDATION

It is recommended that an ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF AN AGREEMENT FOR OPERATION OF THE LANDSCAPE RECYCLING CENTER (with the City of Champaign) and AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF AN AGREEMENT RELATING TO THE OPERATION OF THE LANDSCAPE RECYCLING CENTER (phasing out Champaign County) be approved.

MJB:WRG:kf

Attachments: Ordinances & Agreements