



# SANITATION FUND Contract Extension

CITY OF BLAINE

PRESENTED BY: JOE HUSS

# Current Contract

- ▶ Walters
- ▶ 5½ Years (Jan 1, 2016 – June 30, 2021)
- ▶ Option to extend through June 30, 2024

# Reasons to Extend

- ▶ Lock-in favorable pricing in period of market volatility
  - ▶ Costs to recycle climbing sharply
  - ▶ Opportunity to lock-in favorable tipping fee rates
  - ▶ Five-year outlook = stable fees
- ▶ Option to extend in City's favor
  - ▶ Many unknowns in volatile market
  - ▶ Opportunity to remove unknowns
- ▶ Excellent service record

# Extended Terms

- ▶ Waste Disposal – No changes; City continues to pay Walters the actual tipping fees charged (locked in through 2024)
- ▶ Recycling – No change from contract amended December 2018; City reimburses Walters for costs arising from marketing of recyclables; City receives net proceeds if realized

# Extended Terms

## Walters Contract

Proposed Annual Hauling Fees

|           | Per Contract | Proposed    |             |             |
|-----------|--------------|-------------|-------------|-------------|
|           | <u>2021</u>  | <u>2022</u> | <u>2023</u> | <u>2024</u> |
| Waste     | \$7.82       | \$8.07      | \$8.33      | \$8.60      |
| Recycling | \$3.68       | \$3.80      | \$3.92      | \$4.05      |

Hauling Fees would increase 3.25% annually per current terms of contract.