

## CITY COUNCIL REPORT

DATE: April 20, 2018

TO: Mayor and Councilmembers

FROM: Todd Hanson, Solid Waste Director  
Andrew Bertelsen, Public Works Director

CC: Barbara Goodrich, Shane Dille, Kevin Treadway, Leadership Team

SUBJECT: The Purchase of Norton Environmental Inc.'s Solid Waste  
Collection Company by Waste Management Arizona Landfills Inc.

At a recent meeting of the City Council, Councilmembers discussed an article from the Arizona Daily Sun reporting that Waste Management of Arizona, Inc. ("Waste Management") had purchased the Flagstaff solid waste collection business of Norton Environmental Inc. ("Norton"). Solid Waste collection is divided into two sections: (1) trash collection; and (2) recycled products collection. Norton does not collect trash in the City; trash collection is done by the municipality.

The City and Norton do have a contract where Norton processes recycled products that the City and other market haulers collect and deliver to the Material Recovery Facility ("MRF"), a recycling center located within the City.

Because the collection of trash and recyclable materials is a separate business than processing of recyclable materials, the sale of the collection business to Waste Management will not affect the City's own trash and recyclables collection operations. Further, it will not affect the processing of the City and other market hauler's recyclable material at the MRF.

However, it will have a slight effect on the revenue from the intake of trash to the City's Cinder Lake Landfill ("Landfill"). In 2016-2017, Norton collected and delivered 5.8% of the trash at the Landfill. This equates to an average of two truckloads per day. This small amount and revenue from the trash delivered by Norton to the Landfill amounted to \$253,034.74 as compared to \$4.2M; the revenue from the total intake of trash to the Landfill.

City staff is discussing the future of the City's Solid Waste management services including integrating the Rethink Waste policies of the City. The main priorities of the Public Works Section remain providing a safe environment for our growing

City, providing a high level of service, and collecting data on haulers' current solid waste practices. As this analysis continues, the Public Works Section will work closely with the City Attorneys' Office to research options.

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