

MEETING DATE: 10/4/21

ITEM: 10 F

AGENDA ITEM SUMMARY

Subject: Consider Resolution No. 124-21 approving the FY20 audit report for the FMC Landfill

Recommendation: Consider Resolution No. 124-21

Background Summary:

The City of Charles City is a member of a 28E agency called Floyd/Mitchell/Chickasaw Solid Waste Management Agency. This entity has a separate board that oversees the operation of the landfill. This agency is required to conduct audits of it's financials by state law. As a member of this 28E agency, we are required to receive a copy of this audit report and subsequently approve it. Jerry is our representative on this board and he has submitted a summary of the FY20 audit. If anyone wishes to see the entire audit, please see me. We recommend approval of this resolution.

RESOLUTION NO. 124-21

*RESOLUTION APPROVING THE FY20 AUDIT REPORT FOR
FLOYD/MITCHELL/CHICKASAW SOLID WASTE MANAGEMENT AGENCY*

WHEREAS, the City of Charles City is a member of the 28E agency that oversees the operation of the Floyd/Mitchell/Chickasaw Landfill, and;

WHEREAS, the 28E agency is required by law to engage a certified public accounting firm to conduct a periodic audit of their financial status,

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Charles City, Iowa, meeting in regular session on this 4th day of October, 2021, approves the FY20 audit report from the Floyd/Mitchell/Chickasaw Solid Waste Management Agency as presented.

COUNCIL MEMBER moved the adoption of the foregoing Resolution;

COUNCIL MEMBER seconded the motion to adopt, and on roll call the voting was as follows:

AYES:

NAYS:

Passed and approved this 4th day of October, 2021.

Dean Andrews, Mayor

Attest:

Trudy O'Donnell, City Clerk

September 30, 2021

Floyd-Mitchell-Chickasaw Solid Waste Management Agency (FMC Landfill) has a fiscal year ending on September 30. I will just give a summary of their operations from Year Ending September 30, 2020 and will attempt to update these numbers when we get the final audit for YE 9/30/21.

From the chart attached you can see the usage (the actual waste that is buried) has increased just over 50% in the last 20 years. It has increased from 20,225 tons to 31,427 tons – a gradual, but steady, increase. This source of operating income totaling \$1,465,392 made up 72.7% of the total income at the Landfill. The balance of the income came from Interest (19.8%), Land rental (3.2%) and sale of assets (4.3%)

In 2019 we opened the 3rd cell at the Landfill. A cell is about the size of 3 football fields this 3rd cell cost just over \$1 million. It is projected that at the current use (with moderate year by year increase) we own enough land to cover the next 25 – 30 years. The land we own and do not use is where the rent income comes from.

We have 4 major pieces of equipment, the largest being a compactor. We had a fire one night about 2 years ago, the compactor (12 years old) was completely totaled, The new one costs \$867,000, and fortunately we received a \$412,000 insurance settlement on the old one. We also had damage to the building that was partially covered. This accounts for the \$654,479 insurance proceeds we received in the YE 9/30/2019. We hope this new compactor lasts 12 plus years

We are required by DNR to keep a certain amount of money in reserve for closure and post-closure. At year end 9/30/20 that amount was calculated to be \$3,358,000 – 40.29% of our cash reserves at that time. That requirement plus the low interest rates make our cash balances tighter in the last couple of years. Therefore, we recently (last Spring) announced a \$2.00 increase in our tipping fee, going from \$41.00 to \$43.00 / ton effective October 1, 2021. We had not adjusted this price for the last 7 -8 years.

I will try to get a more complete report to you in December, 2021 when we get the audit for the year end September 30, 2021.


Jerry Joerger, City representative for FMC Landfill.