

Memorandum



To: Mayor Nelson and Members of the City Council
From: Daniel R. Buchholtz, ICMA-CM, Administrator, Clerk/Treasurer
Date: October 15, 2026
Subject: First Amendment to Residential Recycling Service Agreement – Walters Recycling and Refuse, Inc.

The City's current residential recycling agreement with Walters Recycling and Refuse, Inc. expires December 31, 2026. Walters has expressed interest in continuing its partnership with the City and initially proposed a five-year extension under the existing contract terms and conditions.

Following City Council direction, staff negotiated a three-year extension rather than the proposed five-year term. The shorter extension aligns the expiration of the recycling agreement with the anticipated implementation of the residential organics collection mandate in 2030. This approach preserves the City's flexibility to coordinate future recycling and organics collection services, including the possibility of competitively soliciting and combining both services under a single contract.

The amendment retains the existing agreement's general terms and conditions, establishes updated collection rates, and provides the opportunity for an additional five-year extension upon mutual written agreement of both parties. Neither party is obligated to agree to a future extension.

Walters proposed an approximately 5% rate adjustment effective January 1, 2027, consistent with recent inflation trends and the existing agreement's CPI adjustment methodology. No additional recycling market or disposal cost adjustments were proposed for 2027.

Under the amendment, the 2027 monthly recycling rates will be \$4.46 per household for single-family collection and \$3.83 per unit for multifamily collection. Beginning January 1, 2028, rates will be adjusted annually based on the Consumer Price Index (CPI-U) for garbage and trash collection, consistent with the existing agreement.

The amendment also retains provisions allowing the parties to negotiate adjustments in response to substantial changes in recycling commodity markets or extraordinary costs.

Staff recommends that the City Council approve the First Amendment to the Residential Recycling Service Agreement with Walters Recycling and Refuse, Inc., extending the agreement through December 31, 2029, and authorize the Mayor and City Administrator to execute the amendment.

If you have any questions, please do not hesitate to contact me at 763-784-6491.