



VIRGINIA BEACH CITY COUNCIL "NOT READY" TO MAKE A DECISION ON FLOW CONTROL *Members Put No Timeline on If and When They Will Vote on SPSA Request to Monopolize Waste Disposal in South Hampton Roads*

(November 27, 2007) Virginia Beach City Council, meeting in informal session today, told its staff it has no desire to vote as scheduled December 4 on SPSA's request to impose Flow Control.

After a briefing from Public Works Director Phil Davenport, which included no recommendations, a majority of the 11 members peppered officials, including SPSA director John Hadfield, with questions about operations of the agency, how it intends to repay debt that could soon reach nearly \$300-million and the impact Flow Control would have on future tip fees, property owners, apartment tenants and municipal facilities.

Specific questions and statements made by the members included:

- If the current board of directors, most of whom are elected officials, is not providing proper oversight, could the members be appointed by the Governor or by other less political means? – *Councilwoman Reba McClanan*
- Why did SPSA drop its commercial rate from \$42/ton to \$28/ton if the latter fee did not cover both disposal and transportation costs? Why can the Central Virginia Waste Authority charge less than \$33/ton for waste disposal while SPSA is assessing most of its members \$100/ton? – *Councilman John Uhrin*
- Should Virginia Beach and the other localities request the General Assembly to authorize the Joint Legislative Audit and Review Commission to conduct a study of SPSA so local governments can have an "unvarnished, independent" review of agency operations and policies? – *Mayor Meyera Oberndorf*
- Because Virginia Beach generates 40% of the trash collected in the region, why should Virginia Beach businesses (and apartment tenants) subsidize the reduction of tip fees in other cities and counties? – *Councilwoman Rosemary Wilson*
- What happens to SPSA when its charter expires in 2018? What are projected tipping fees from 2008-2018 under Flow Control? Under Flow Control, what will be the extra costs for the city incurred by schools and other municipal facilities that have their trash collected by private

haulers? Is it fiscally responsible for SPSA, with a \$100-million annual operating budget, to have three times that much in debt? Should SPSA be borrowing \$50-million to expand its landfill and build two non-revenue producing transfer stations in Suffolk? What are potential private sector options to manage waste disposal? - *Councilman Bill Desteph*

- Why were the projections for tip fees when SPSA was organized so far below what they actually are today (approximately \$16/ton versus \$54/ton today in Virginia Beach)? What is SPSA's business plan moving forward, and what are its actual costs for the services it provides to residents and businesses? Will Flow Control help solve SPSA's basic operational problems or perpetuate its existing business model? - *Vice Mayor Louis Jones*
- There seems to be no urgency to vote so we should delay doing so until we have more information. - *Councilman Bob Dyer*

Council directed Public Works to provide more input, including options on how waste collection and disposal might be handled post 2018. No timetable was set for staff to return with that data, nor was a date established as to when council might vote. Councilman Desteph, who has been most vocal in opposition to Flow Control, asked for a delay for up to 120 days.

The Virginia Waste Industries Association, which believes flow control will penalize businesses for years of bad fiscal decisions made by SPSA and its board, is pleased that Virginia Beach City Council is taking a hard look at the proposal, which SPSA acknowledges will generate no new revenue and will have no bearing on repayment of its mounting debt.

For more information, contact Mike Dobson of the VWIA at 757-686-5960 or visit www.vwia.com.