

LRB – RESEARCH AND ANALYSIS

FEBRUARY 19, 2009 AGENDA

ITEM 14, FILE 081435

PUBLIC WORKS COMMITTEE

JAMES CARROLL

File #081435 is a substitute

resolution approving the 2009 monthly solid waste collection charge for multiunit dwellings with 5 or more units.

BACKGROUND

1. The 2001 Proposed Budget eliminated the garbage collection service to multiunit dwellings (apartment) with 5 units or more. During the 2001 Budget amendment process, an amendment was passed restoring the service and changing the Code to require that the fee imposed provide 100% recovery of the current cost of providing solid waste collection services to multiunit dwellings.
2. Section 79-2-1-b-2 of the Milwaukee Code states "...the amount of the fee charged under this paragraph shall be determined on or before January 31 of each year by the commissioner of public works, subject to the approval of the common council."
3. The owners of multiunit dwellings with 5 or more units have the option of using the City or private contractors for solid waste collection. There are approximately 2,660 residential buildings in the City of Milwaukee with 5 units or more. The City provides solid waste collection to approximately 50% of these buildings.
4. The last increase to the solid waste collection rates for multiunit dwellings with 5 or more units occurred in 2008.

DISCUSSION

1. The 2009 rates will increase between 14% and 18% for front load collections, 19% for rear load collections and 7% for cart collections. The proposed new rates reflect an increase in costs since the rate increase in 2008. The table below compares the 2008 with 2009 monthly rates.

| Size | 2008 Rate | 2009 Rate |
|-------------------|-----------|-----------|
| Front Load | | |
| 2- YD | \$52.00 | \$61.00 |
| 3-YD | \$56.00 | \$66.00 |
| 4-YD | \$61.00 | \$70.00 |
| 6-YD | \$70.00 | \$80.00 |
| 8-YD | \$79.00 | \$90.00 |
| Rear Load | | |
| 2-YD | \$84.00 | \$100.00 |
| Carts | | |
| Cart | \$14.00 | \$15.00 |

NOTE: All charges are per month, collection is weekly, and billing is quarterly.

FISCAL IMPACT

Based on the 2008 rates and the 2009 capital depreciation rates, the Comptroller's Office recognized \$1,475,000 in revenue for apartment garbage pickup in the 2009 Budget.

Because the 1st quarter billings have taken place, the new rates will go into effect with the 2nd quarter billings. With the new rates being in effect for $\frac{3}{4}$ of the year and assuming the rate increase will result in a 5% reduction in the multiunit dwellings served, DPW estimates the total 2009 revenue for apartment garbage pickup will be \$1,490,000.

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