



**City of Milwaukee
Budget and Management Division
Memorandum**

To: Finance and Personnel Committee Members
Mark Nicolini, Budget and Management Director

From: Thomas Bell, Fiscal Planning Specialist Senior

Date: October 21, 2014

Subject: Second Cart Analysis

At the Finance and Personnel Committee's budget hearing on City Revenue on October 11th, Alderman Coggs asked the following questions:

Is there a correlation between the reduced number of Milwaukee residents with second carts, reduced tipping cost and tonnage and revenue changes?

Over the past 10-15 years DPW Operations has implemented operational changes designed to change the behaviors of residents of the City of Milwaukee. Ultimately the goals of these changes are to reduce annual tipping costs associated with landfill tonnage, while increasing the amount of waste diverted from landfills. In addition to introducing a Second Cart Fee in 2013, other operational changes include the following:

- Reduced the amount of waste resident can place outside of the garbage cart.
- Introduced the Clean and Green program.
- Increased the number of items that are recyclable.
- Self-Help centers.
- Weekend box program.
- Special pick up fee.
- Outreach education.

Figure 1

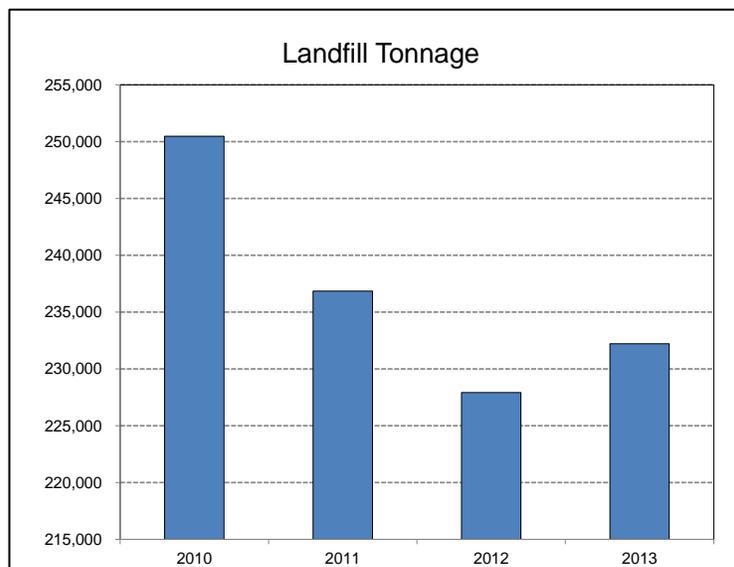
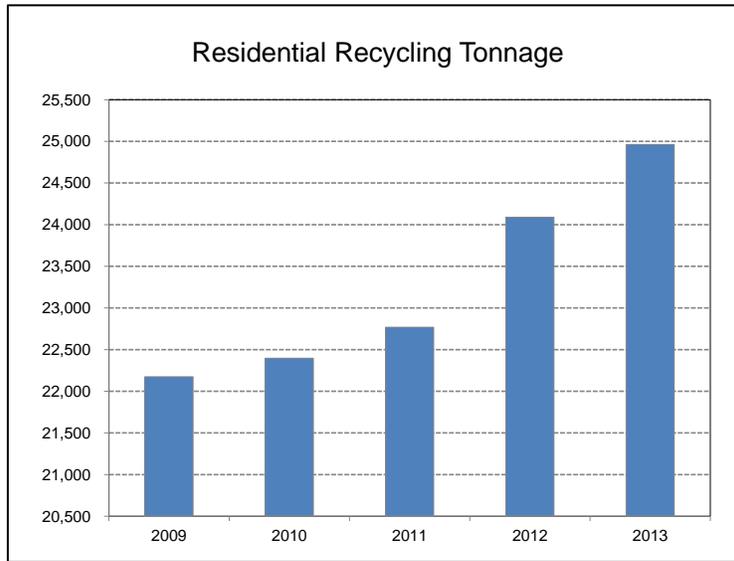


Figure 2



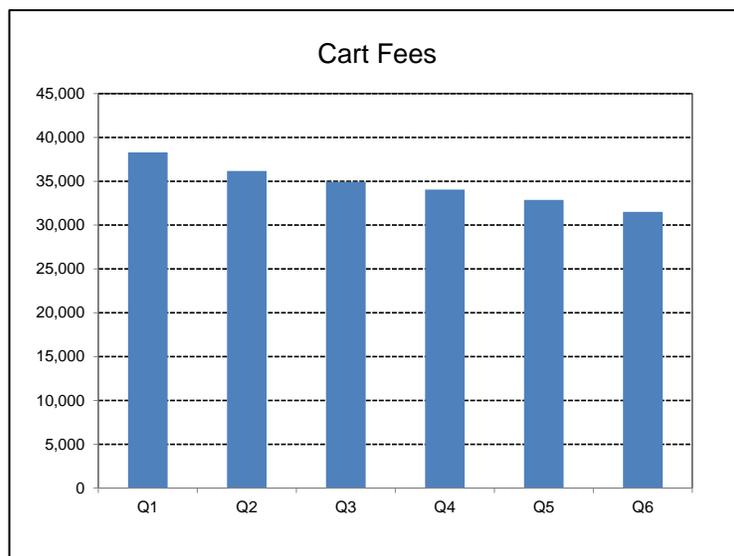
All of the aforementioned operational changes have played a significant role in reducing the amount of annual residential waste ending up in landfills. However, DPW does not have data that specifically ties a specific operational change to tonnage increases or decreases in either landfill or recycling tonnages.

Figures 1 and 2 indicate that both landfill and recycling tonnage were positively trending prior to the implementation of the Second Cart Fee. Recycling continued its positive trend, while landfill tonnage increased slightly in 2013. The fee is too new to determine with certainty if it has had any affect on either of these items.

However, there are positive outcomes that can be directly attributed to the Second Cart Fee being implemented. The positive outcomes include:

- **Second Cart Reduction:** Since the implementation of the Second Cart Fee, approximately 18% of the residents being charged for a second cart have requested that the cart be removed. As a result, DPW will order fewer new carts in 2014 and 2015 (see Figure 3).

Figure 3



- **Revenue Generated:** The Second Cart Fee generates revenue that helps to lower the Solid Waste Fee. This helps distribute the costs of the program more equitably, since tonnage has a significant bearing on the overage program cost. The Second Cart Fee revenue is as follows:
 - \$1.9 million in 2013
 - \$2.3 million budgeted in 2014
 - \$1.9 million proposed for 2015
- **Fewer Carts Managed:** The number of Second Cart Fees have decreased in each quarter since implementation. These decreases amount to a reduction of approximated 6,800 fewer carts being handled on a weekly basis. This is the equivalent of reducing nearly three weekly garbage routes.

Some of the goals associated with the Second Cart Fee include:

1. Reduce the numbers of households with more than one garbage cart.
2. Reduce the number of carts that DPW is required to purchase annually.
3. Require residents that are being provided an extra service pay for the extra service.
4. Increase recycling.
5. Lower landfill costs

It's clear that goals 1-3 are being achieved. However, as previously stated, it's too early to determine if the Second Cart Fee is having any affect on recycling or landfill tonnage.

TJB:dmr
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Common/budget/15budget/F&P – Common Council Followups/2nd Cart