

Reply to Common Council File No. 100692
From DOA-Budget and Management Division

November 2, 2010

Ref: BF11-3B

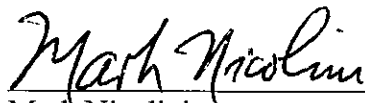
Common Council File 100692 contains an ordinance relating to the adjusting of the solid waste charge.

Currently the Code of Ordinances provides that the common council adopt a resolution establishing a solid waste charge for the ensuing budget year. The Code does not permit any adjustment to the charge after it has been established for a given year.

The 2011 proposed budget contains several provisions that are designed to enable the city to move to a "pay as you throw" system that should allow for considerable refinement of the local solid waste charge in the future according to the size and amount of containers that a dwelling unit uses for garbage collection. In addition, the Department of Public Works strategy for solid waste operations includes components designed to increase the amount of recycling and decrease the amount of tonnage deposited through the weekly collection. If successful, these components are likely to decrease the total amount of cost recovery required through the local solid waste charge.

This proposed ordinance provides the common council with the permissive authority to adjust the solid waste charge once annually on the basis of cost recovery experience or to ensure that total charges are allocated equitably. It is expected that a pay as you throw fee schedule may be somewhat more difficult to devise in a manner that achieves cost recovery precisely in its initial years. In addition, it will be difficult initially to determine prior to budget adoption how much impact the new strategy will have on total costs. This ordinance allows the council to adjust the charge (increase or decrease) once after budget adoption as a way to deal with these uncertainties. The proposed ordinance is similar in concept to the provision that governs the Local Snow and Ice Removal Charge.

**RECOMMENDATION: ADOPT COMMON COUNCIL FILE NUMBER
100692**



Mark Nicolini
Budget and Management Director

MN:dmr

FINANCE: 100692sr.doc