

Reply to Common Council File No. 100691
From DOA-Budget and Management Division

October 26, 2010

Ref: 10010

Common Council File 100691 contains an ordinance relating to solid waste collection regulations and charges. This ordinance is submitted in order to effectuate certain provisions and service changes that are included in the 2011 Proposed Executive Budget.

The city's Local Solid Waste Charge recovers almost 100% of the costs associated with operating services such as garbage collection and disposal, recycling, and the Clean and Green program. The amount of cost recovery is estimated to be \$32,230,000 in 2011.

The direct costs associated with the weekly garbage collection and disposal of the waste account for approximately 70% of these costs. Disposal of the waste has been subject to substantial cost increases in recent years, largely due to increases in the state imposed tipping fees. Disposal costs per ton have increased more than 50% since 2004.

The 2011 Proposed Executive Budget reflects proposed service changes to the solid waste program. These changes are part of a multi-year strategy that the Finance & Personnel Committee discussed at its October 22 budget hearing. The changes included in the 2011 proposed budget, and multi-year strategy, are intended to (a) provide increased incentives for program users to substitute recycling for garbage disposal; (b) make the Local Solid Waste Charge more equitable by establishing a closer relationship between the amount of garbage disposed and the amount of fees charged to the dwelling unit; and (c) begin the process of converting to more efficient routes.

Specifically, this proposed ordinance includes (a) a \$5 quarterly charge for each additional garbage cart in use at a dwelling unit; (b) a permit sticker program (at a cost of \$1 per sticker) for items placed outside the garbage cart for collection; and (c) continuation of the 2-cubic yard limitation for outside the cart placement. The additional cart fee would be applied as of January 1, 2011. The permit sticker program would become effective February 26, 2011.

These changes establish the initial steps toward a more refined, volume-based "pay as you throw" service charge that would include, among other features, a choice of garbage cart sizes which charges per dwelling unit would take into account. In 2011 the "base" solid waste charge is proposed for a \$3.54 annual reduction for those dwelling units that are assigned one garbage cart. Consistent with current practice, there will be no charge for additional recycling carts.

The proposed ordinance authorizes the Department of Public Works to issue, or retain, additional garbage carts at a dwelling unit if such carts are needed for the proper storage and disposal of domestic waste. This provision should reduce the potential for unmanaged waste to result from the imposition of the new permit sticker program for outside the cart placement.

The Comptroller's revenue estimates do not need to be adjusted if the Common Council adopts this proposed ordinance.

**RECOMMENDATION: ADOPT COMMON COUNCIL FILE NUMBER
100691**



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