

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

99-159

SYNOPSIS -

AGENDA:

APRIL 19, 1999

SUBJECT:

SOLID WASTE FEE

TYPE:

**RESOLUTION
ORDINANCE
RECEIVE/FILE**

SUBMITTED BY:

JOHN P. BELLIZZI
PUBLIC WORKS
DIRECTOR

On June 15, 1998, by Roll Call No. 98-1935, the City Council approved continuation of the curbside recycling program in Des Moines at the cost of \$1.75 per household per month. On March 1, 1999, the City Council moved to defer action on a proposed solid waste collection fee increase of \$1 for a total of \$11.25 per month pending a thorough review of collection services for both solid waste and recycling.

A Council subcommittee has now completed its review of collection services and recommends a solid waste fee increase not to exceed \$10.25 per household per month for both recycling and solid waste collection. Separately, it is recommended that the cost of City yard waste bags be increased from 50 cents to 75 cents, single use stickers from 25 cents to 50 cents, and annual stickers from \$10 to \$12.50. The recommended increases are necessary to keep the operation solvent through June 30, 2001.

FISCAL IMPACT-

The solid waste collection and disposal program is an enterprise account, which is funded exclusively through user fees and yard debris bag sales. The recommended increases are necessary to keep the operation solvent through June 30, 2001.

RECOMMENDATION -

A solid waste fee increase to \$10.25 for a two-year period beginning July 1, 1999, for weekly solid waste collection and the bi-weekly collection of recyclables.

Approve an increase in the cost of the City yard waste bags from 50 cents to 75 cents, single use stickers from 25 cents to 50 cents, and annual stickers from \$10 to \$12.50.

Evaluate solid waste programs and related user fees June 30, 2001. This would coincide with the conclusion of the current agreement to fund the Curb It Program.

BACKGROUND -

On March 1, 1999, by Roll Call No. 99-605, the City Council approved the City's Operating Budget with the exception of a proposed \$1 fee increase for solid waste collection services. Rather than approve the proposed increase, the Council formed a subcommittee consisting of Council Members Christine Hensley, Michael McPherson, and Chris Coleman who, in cooperation with the City Manager, Budget Director, and Public Works Director, have met to study alternatives to the proposed solid waste fee increase.

The committee found that Des Moines' solid waste collection fee has not been increased since April of 1991. At that time, the rate was increased to \$8.50 and has remained constant through today. During that period of time, however, solid waste landfill fees have increased from \$17.75 to \$30 per ton. In addition, the Metro Waste Authority (MWA) has determined it can no longer fund the "Curb It" recycling program.

In preparation for Council action on the Operating Budget, staff completed a solid waste fund analysis which included the need for a \$1 increase for basic solid waste collection services. The fund analysis was reviewed by the Council subcommittee. To eliminate the need for the \$1 increase and to ensure a positive fund balance within the current solid waste fee, the Council subcommittee, City Manager, and Public Works Director recommend the following initiatives:

- Bi-weekly collection of recyclables.
- Increase the number of units per solid waste collection route.
- Secure MWA financial assistance.
- Increase the cost of yard debris bags.
- Solicit competitive bids for solid waste collection.

Bi-Weekly Recycling

It is proposed that the collection of recyclables be completed on

a bi-weekly schedule (every two weeks) in lieu of the present weekly collection. The bi-weekly schedule will permit the collection of only one-half of the current routes per week. The second half will be collected the following week.

Implementation of the bi-weekly schedule will result in a reduction in the number of personnel required to perform the work and the amount of equipment needed. The equipment will be placed up for sale and the present workforce of 13 will be reduced by six personnel through attrition. Sale of the equipment and reduction of the workforce by July of 2001 will result in a savings of approximately 70 cents per household per month.

To ensure residents are aware of the dates on which their recyclables will be collected, City solid waste crews will place a sticker (see copy attached) on each container annually. Residents may request up to two recycling bins, if needed, to contain their recyclables for the bi-weekly collection schedule. The MWA will be announcing the Des Moines bi-weekly collection schedule in a direct mailing to residents. In addition, all media will be provided public service announcements periodically to inform the public.

Increase the Number of Units Per Solid Waste Collection Route

To further reduce the cost of the solid waste collection program, the Public Works Department plans to reduce the present 18 routes to 17, with a corresponding reduction of equipment and two personnel by attrition. Specifically, the number of households collected will increase from an average of 665 per crew to 700 per crew per day. As a result, one solid waste collection vehicle will be sold and two collection personnel will be eliminated by attrition by July of 2001. The reduction in the number of routes will result in a savings of 15 cents per household per month. The reduction in the number of collection routes in both solid waste and recycling and increasing the number of units to be collected by crews have been explained to union representatives and a representative group of the rank and file.

MWA Financial Assistance

The MWA, at its April 13, 1999 meeting, agreed to partially

fund the Curb It Program for the next two years. Specifically, the Authority will contribute \$210,000 to the program not later than August of 1999. Additionally, the Authority will be asked to contribute another \$150,000 the following year to be received by July, 2000. In combination, this funding totals \$360,000 over the next two years, or approximately 25 cents per household per month.

Leaf and Yard Debris Bag Increase

To promote equity in volume measurement and provide additional revenue, it is recommended that the Council approve an increase in the cost of the yard waste bags from 50 cents to 75 cents, single use stickers from 25 cents to 50 cents, and annual stickers from \$10 to \$12.50. The total effect of these increases will approximate the value of 25 cents per household per month.

In September of 1998, Public Works' staff met with neighborhood representatives to discuss proposed increases in leaf and yard debris bags and stickers. Those attending the meeting representing all segments of the city recommended a bag increase from 50 cents to 75 cents, single use sticker increase from 25 cents to 50 cents, and an annual sticker cost increase from \$10 to \$12.50.

Solicit Competitive Bids for Solid Waste Collection

To ensure Des Moines residents are paying the lowest possible cost for solid waste collection and recycling, it is recommended that the City solicit private contractor bids for those services to be effective July of 2001. Specifications for collection will be developed and bids will be taken in the spring of 2001 for implementation in July. Bids will be requested on providing collection services to only one-half of the city to ensure an ongoing comparison of costs between the private and public sector and to maintain and utilize existing high cost capital equipment.

SUMMARY

The reduction in recycling and solid waste collection personnel will result in eight collectors being displaced. In addition, the

equipment they operate will be sold. Three of the personnel displaced will be assigned to the newly formed "Clean Team" whose mission it is to remove illegally dumped debris on City rights-of-way. Consequently, only five positions need to be eliminated by attrition. The union leadership for the employees have been informed of these proposed changes.

In summary, to stabilize the solid waste collection fee at \$10.25, it is proposed that a net savings of \$1 per household per month be achieved by performing the bi-weekly collection of recyclables (70 cents), the reduction in solid waste collection routes from 18 to 17 (15 cents), securing a contribution from the MWA (25 cents), and increasing the sale of leaf and yard debris bags (25 cents) for a total of \$1.35. It is important to note that 35 cents will be required to fund the solid waste program until equipment sale revenues are realized and personnel reductions can be achieved. Therefore, the net impact of the above savings will be approximately \$1 per household per month. This financial strategy will provide a positive solid waste fund balance through June 30, 2001. This would coincide with the conclusion of the current agreement to fund the Curb It Program.

Attachment