

City of Fayetteville Staff Review Form

2019-0646

Legistar File ID

10/15/2019

City Council Meeting Date - Agenda Item Only
N/A for Non-Agenda Item

Shannon Newman

9/25/2019

RECYCLING/TRASH COLLECTION (750)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

A Resolution to Approve Waiving the Automatic Annual Price Adjustment for the 2020 Recycling and Trash User Fees

Budget Impact:

Account Number

Fund

Project Number

Project Title

Budgeted Item? NA

Current Budget

\$ -

Funds Obligated

\$ -

Current Balance

\$ -

Does item have a cost? NA

Item Cost

Budget Adjustment Attached? NA

Budget Adjustment

Remaining Budget

\$ -

Purchase Order Number:

Previous Ordinance or Resolution #

V20180321
Ord 6138, Res 278-18

Change Order Number:

Approval Date:

Original Contract Number:

Comments:



MEETING OF OCTOBER 15, 2019

TO: Mayor Jordan and City Council

THRU: Peter Nierengarten, Environmental Director
Jeff Coles, Recycling and Trash Collections Director

FROM: Shannon Newman, Financial Analyst - Recycling and Trash Collections

DATE: September 25, 2019

SUBJECT: A Resolution to Approve Waiving the Automatic Annual Price Adjustment for the 2020 Recycling and Trash User Fees

RECOMMENDATION:

Staff recommends City Council approval of a resolution to waive the automatic annual price adjustment for the 2020 Recycling and Trash user fees.

BACKGROUND:

City Code 50.40(A) – Rates of Services; Fee Increases

The Recycling and Trash User Fee shall be adjusted annually based upon the Consumer Price Index (CPI) as published by the U.S. Department of Labor, unless specifically waived by City Council resolution.

In 2018, the City contracted with MSW Consultants to conduct a Recycling and Trash Collections Rate study to comprehensively evaluate the solid waste systems full cost of service and to develop a five-year financial plan with recycling and trash disposal rate recommendations. One of the recommendations was to apply the Consumer Price Index (CPI) increase to all customer classes and rates; previously the CPI had only been applied to residential rates. City Council passed Resolution 278-18 on 12/18/18 to adopt the new Recycling and Trash Collection rate study.

Ordinance 6138 was approved by City Council on 1/3/19 to amend §50.40 Rates for Services of the Fayetteville City Code to align the City's Recycling and Trash Collection Rates with the rate study.

DISCUSSION:

The new rates approved by City Council went into effect on April 22, 2019. Due to the recent rate increase and continued cost cutting and efficiency improving efforts by the Recycling and Trash Collections Division, the CPI increase is not required for 2020.

Pursuant to City Code 50.40(A), staff proposes approval to waive the automatic annual price adjustment for the 2020 Recycling and Trash user fees.

BUDGET/STAFF IMPACT:

None

Attachments:

Ordinance 6138

Resolution 278-18



113 West Mountain Street
Fayetteville, AR 72701
(479) 575-8323

Ordinance: 6138

File Number: 2018-0707

RECYCLING AND TRASH COLLECTION RATE AMENDMENTS:

AN ORDINANCE TO AMEND § 50.40 **RATES FOR SERVICES** OF THE FAYETTEVILLE CITY CODE TO ALIGN THE CITY'S RECYCLING AND TRASH COLLECTION RATES WITH THE RECENT RATE STUDY

WHEREAS, the Recycling and Trash Collection Rate Study completed by MSW Consultants made several recommendations based on a cost of service analysis and the goals of the City's 2017 Solid Waste Reduction, Diversion, and Recycling Master Plan which are reflected in the staff-recommended amendments to the rates for recycling and trash collection services below.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1. That the City Council of the City of Fayetteville, Arkansas hereby repeals § 50.40 *Rates for Services* and enacts a new § 50.40 as follows:

50.40 - Rates For Services

- (A) *Fee Increases.* The Recycling and Trash User Fee shall be adjusted annually based upon the Consumer Price Index (CPI) as published by the U.S. Department of Labor, unless specifically waived by City Council resolution.
- (B) *Residential Single-Family/Duplex Service.* Recycling and Trash shall be collected from residential single-family/duplex customers one time each week for the following rates:

Recycling and Trash User Fee Schedule
Container Volume Monthly Rate

32 \$10.16
64 \$15.52
96 \$22.03

- (1) There shall be no charge for the collection of residential yard waste.
 - (2) Residential single-family/duplex service customers shall receive bulk collection at no charge one time per year.
 - (3) If a residential single-family/duplex customer wishes to exchange to a larger residential garbage cart size, the customer shall be assessed a \$25.00 trip fee. No fee shall be assessed for customers wishing to exchange to a smaller cart.
 - (4) The charge for an extra bag or an over-full cart shall be \$6.72.
- (C) *Residential Multi-family Service.* Trash shall be collected from residential multi-family customers one time each week at a rate of \$9.72 per dwelling unit per month unless the owner of the multi-family complex requests greater volume/frequency of service than the minimum required service as determined by the Recycling and Trash Collection Manager. When requests for greater volume/frequency of service by an owner are made, rates shall be determined by the prevailing commercial service rate divided by the number of dwelling units. Multi-family trash service shall include recycling, subject to availability as determined by the Recycling and Trash Collections Director.
- (D) *Commercial Service.* Trash shall be collected from commercial customers as shown below.
- (1) The monthly commercial rate shall be:

Commercial User Fee Schedule

Commercial Container Size	Rate Per Pickup
95 Gallon Cart	\$19.83
2 cubic yards	\$47.50
4 cubic yards	\$88.45
6 cubic yards	\$115.00
8 cubic yards	\$144.00

- (2) Commercial 95-gallon carts shall be picked up once per week, Monday through Thursday. Larger commercial containers shall be serviced a minimum of once per week and a maximum of six (6) times per week, Monday through Saturday, except authorized holidays for city employees and unavoidable inclement weather.
- (3) The rate for providing extra collection of any 95-gallon cart shall be twice the monthly collection rate based on the number of collections per week as established by §50.40(B)(1).

The rate for providing extra collection of any commercial front load dumpster shall be one-half the monthly per cubic yard rate for each dumpster size.

- (4) The rate for providing cardboard and paper recycling service shall be 25% of the equivalent commercial container trash service, except that the Recycling and Trash Collection Division may waive that fee for all 95-gallon cart customers.

- (5) Container rental is a flat fee per month.

Container Rental/Dumpster Lease Fee Schedule

Container Size (Cubic Yards) Monthly Rate

2 yd \$13.53

4 yd \$15.47

6 yd \$18.00

8 yd \$21.25

(E) *Use of Composting Facility.*

Businesses, including commercial landscapers and tree trimmers, and nonresidents that bring brush to the city's composting facility for disposal will be charged as follows:

Composting User Fee Schedule

Size Rate

Compact pickup trucks \$5.25

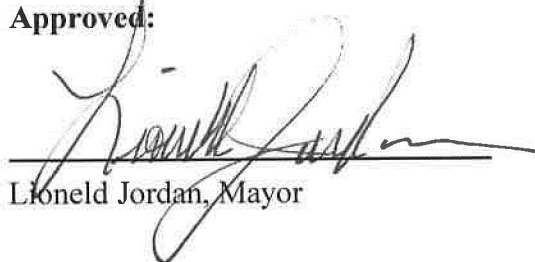
Full size pickup trucks \$8.40

Trailers up to 14 feet long \$10.50


Trailers greater than 14 feet long \$15.75

PASSED and APPROVED on 1/3/2019

Approved:


Lioneld Jordan, Mayor

Attest:


Sondra E. Smith, City Clerk/Treasurer





City of Fayetteville, Arkansas

113 West Mountain Street
Fayetteville, AR 72701
(479) 575-8323

Text File

File Number: 2018-0707

Agenda Date: 1/3/2019

Version: 1

Status: Passed

In Control: City Council Meeting

File Type: Ordinance

Agenda Number: B. 1

RECYCLING AND TRASH COLLECTION RATE AMENDMENTS:

AN ORDINANCE TO AMEND § 50.40 **RATES FOR SERVICES** OF THE FAYETTEVILLE CITY CODE TO ALIGN THE CITY'S RECYCLING AND TRASH COLLECTION RATES WITH THE RECENT RATE STUDY

WHEREAS, the Recycling and Trash Collection Rate Study completed by MSW Consultants made several recommendations based on a cost of service analysis and the goals of the City's 2017 Solid Waste Reduction, Diversion, and Recycling Master Plan which are reflected in the staff-recommended amendments to the rates for recycling and trash collection services below.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1. That the City Council of the City of Fayetteville, Arkansas hereby repeals § 50.40 *Rates for Services* and enacts a new § 50.40 as follows:

50.40 - Rates For Services

- (A) *Fee Increases.* The Recycling and Trash User Fee shall be adjusted annually based upon the Consumer Price Index (CPI) as published by the U.S. Department of Labor, unless specifically waived by City Council resolution.
- (B) *Residential Single-Family/Duplex Service.* Recycling and Trash shall be collected from residential single-family/duplex customers one time each week for the following rates:

Recycling and Trash User Fee Schedule

Container Volume Monthly Rate

32 \$10.16

64 \$15.52

96 \$22.03

- (1) There shall be no charge for the collection of residential yard waste.

- (2) Residential single-family/duplex service customers shall receive bulk collection at no charge one

time per year.

- (3) If a residential single-family/duplex customer wishes to exchange to a larger residential garbage cart size, the customer shall be assessed a \$25.00 trip fee. No fee shall be assessed for customers wishing to exchange to a smaller cart.

- (4) The charge for an extra bag or an over-full cart shall be \$6.72.

- (C) *Residential Multi-family Service.* Trash shall be collected from residential multi-family customers one time each week at a rate of \$9.72 per dwelling unit per month unless the owner of the multi-family complex requests greater volume/frequency of service than the minimum required service as determined by the Recycling and Trash Collection Manager. When requests for greater volume/frequency of service by an owner are made, rates shall be determined by the prevailing commercial service rate divided by the number of dwelling units. Multi-family trash service shall include recycling, subject to availability as determined by the Recycling and Trash Collections Director.

- (D) *Commercial Service.* Trash shall be collected from commercial customers as shown below.

- (1) The monthly commercial rate shall be:

Commercial User Fee Schedule

Commercial Container Size	Rate Per Pickup
95 Gallon Cart	\$19.83
2 cubic yards	\$47.50
4 cubic yards	\$88.45
6 cubic yards	\$115.00
8 cubic yards	\$144.00

- (2) Commercial 95-gallon carts shall be picked up once per week, Monday through Thursday. Larger commercial containers shall be serviced a minimum of once per week and a maximum of six (6) times per week, Monday through Saturday, except authorized holidays for city employees and unavoidable inclement weather.

- (3) The rate for providing extra collection of any 95-gallon cart shall be twice the monthly collection rate based on the number of collections per week as established by §50.40(B)(1). The rate for providing extra collection of any commercial front load dumpster shall be one-half the monthly per cubic yard rate for each dumpster size.

- (4) The rate for providing cardboard and paper recycling service shall be 25% of the equivalent commercial container trash service, except that the Recycling and Trash Collection Division may waive that fee for all 95-gallon cart customers.

- (5) Container rental is a flat fee per month.

Container Rental/Dumpster Lease Fee Schedule

Container Size (Cubic Yards)	Monthly Rate
2 yd	\$13.53
4 yd	\$15.47
6 yd	\$18.00

8 yd \$21.25

(E) Use of Composting Facility.

Businesses, including commercial landscapers and tree trimmers, and nonresidents that bring brush to the city's composting facility for disposal will be charged as follows:

Composting User Fee Schedule

Size Rate

Compact pickup trucks \$5.25

Full size pickup trucks \$8.40

Trailers up to 14 feet long \$10.50

Trailers greater than 14 feet long \$15.75

City of Fayetteville Staff Review Form

2018-0707

Legistar File ID

12/18/2018

City Council Meeting Date - Agenda Item Only
N/A for Non-Agenda Item

Leif Olson

11/29/2018

SUSTAINABILITY/RESILIENCE (631)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

Staff recommends approval of an ordinance adopting the updated recycling and trash collections cost-of-service rates proposed in the Recycling and Trash Collection Rate Study conducted by MSW Consultants.

Budget Impact:

NA

NA

Account Number

Fund

NA

NA

Project Number

Project Title

Budgeted Item? NA

Current Budget

Funds Obligated

Current Balance

Does item have a cost? NA

Item Cost

Budget Adjustment Attached? NA

Budget Adjustment

Remaining Budget

V20180321

Purchase Order Number: _____

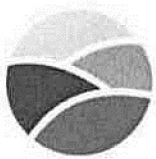
Previous Ordinance or Resolution # _____

Change Order Number: _____

Approval Date: _____

Original Contract Number: _____

Comments:



MEETING OF DECEMBER 18, 2018

TO: Mayor and City Council

THRU: Don Marr, Chief of Staff

FROM: Peter Nierengarten, Sustainability Department Director

DATE: November 29, 2018

SUBJECT: Adoption of updated Recycling and Trash Collections Division's cost-of-service rates for commercial and residential customers.

RECOMMENDATION:

Staff recommends approval of an ordinance adopting the updated recycling and trash collections cost-of-service rates proposed in the Recycling and Trash Collection Rate Study conducted by MSW Consultants.

BACKGROUND:

In 2018 the City contracted with MSW Consultants to conduct a Recycling and Trash Collection Rate study to comprehensively evaluate the solid waste systems full cost of service and to develop a five-year financial plan with recycling and trash disposal rate recommendations. MSW Consultants provided a detailed analysis of the existing waste collection services, facilities and rates for each major service type. The consultant also provided a cost of service analysis and projected the rates needed to fund the various services. This included identifying the costs associated with new or expanding commercial, organics, commercial glass and multi-family recycling services - all supported in the 2017 Solid Waste Reduction, Diversion and Recycling Master Plan. And lastly, final collection and disposal rate recommendations are provided for all facilities and collection services.

Implementation of the Recycling and Trash Collections Rate Study will enable the Recycling and Trash Collections Division to increase waste diversion by implementing the following service enhancements:

- All-inclusive trash and recycling for multi-family and small commercial complexes (previously these customers had to pay extra for recycling services)
- Expanding curbside recycling to apartment complexes with 24 units or less
- Discounted commercial cardboard and paper recycling
- Transition commercial food waste composting pilot to full service
- Transition commercial glass recycling pilot to full service
- Increase transfer station tip fees to encourage diversion (out-of-City transfer station rate includes a premium for use of City resources)

DISCUSSION:

Ordinance amendments needed to implement the Recycling and Trash Collections Rate Study are located in Chapter 50.40 in the Public Works section of the City Code. Necessary amendments to codify the Study include:

- Relocating language on Consumer Price Index (CPI) index increase so that it applies to all customer classes and rates – previously the CPI had only been applied to residential rates,
- Adjusting Residential Single-Family Trash and Recycling Rates to align with the Rate Study recommendations,
- Adjusting Residential extra trip and extra bag charges to align with the Rate Study recommendations,
- Adjusting the codified multi-family rate to match the current rate,
- Adding language that allows for all-inclusive trash and recycling for multi-family and small commercial complexes,
- Adjusting Commercial Trash rate to align with the Rate Study recommendations,
- Adding language to discount Commercial Recycling Rates, and
- Adjusting Commercial Dumpster Lease Rates to align with the Rate Study recommendations.

BUDGET/STAFF IMPACT:

The overall rate impact of the recommended rates is a 9.1% increase over current rates.

Attachments:

Chapter 50.40 Code Amendments

Recycling and Trash Collection Rate Study from MSW Consultants

ARTICLE III - COLLECTION CHARGES; BILLING

50.40 - Rates For Services

(A) Fee Increases. The Recycling and Trash User Fee shall be adjusted annually based upon the Consumer Price Index (CPI) as published by the U.S. Department of Labor, unless specifically waived by City Council resolution.

(B) Residential Single-Family/Duplex Service. Recycling and Trash Garbage and trash shall be collected from residential single-family/duplex customers one time each week for the following rates:

Recycling and Trash Garbage/Trash-User Fee Schedule

Container Volume	Monthly Rate
32	\$8.75 \$10.16
64	\$13.35 \$15.52
96	\$18.96 \$22.03

(1) There shall be no charge for the collection of residential yard waste.

(2) Residential single-family/duplex service customers shall receive bulk collection at no charge one time per year.

(3) If a residential single-family/duplex customer wishes to exchange to a larger residential garbage cart size, the customer shall be assessed a \$20.00 ~~\$25.00~~ cart exchange trip fee. No fee shall be assessed for customers wishing to exchange to a smaller cart.

(4) The Garbage/Trash User Fee shall be adjusted annually based upon the Consumer Price Index (CPI) as published by the U.S. Department of Labor, unless specifically waived by City Council resolution. **The charge for an extra bag or an over-full cart shall be \$6.72.**

(B) Residential Multi-family Service. Trash shall be collected from residential multi-family customers one time each week at a rate of \$9.25 ~~\$9.72~~ per dwelling unit per month unless the owner of the multi-family complex requests greater volume/frequency of service than the minimum required service as determined by the Recycling and Trash Collection Manager. Additionally, when recycling service is provided to a residential multi-family service customer, an additional rate of \$0.95 per dwelling unit per month shall apply. When requests for greater volume/frequency of service by an owner are made, rates shall be determined by the prevailing commercial service rate divided by the number of dwelling units. **Multi-family trash service shall include recycling, subject to availability as determined by the Recycling and Trash Collections Director.**

(C) Commercial Service. Trash shall be collected from commercial customers as shown below.

(1) The monthly commercial rate shall be:

Commercial User Fee Schedule

Commercial Container Size	Rate Per Pickup
95 Gallon Cart	\$15.90 <u>\$19.83</u>
2 cubic yards	\$32.76 <u>\$47.50</u>
4 cubic yards	\$65.52 <u>\$88.45</u>
6 cubic yards	\$98.28 <u>\$115.00</u>
8 cubic yards	\$131.04 <u>\$144.00</u>

- (2) ~~Commercial 95-gallon carts have a maximum of four (4) pickups per week~~ shall be picked up once per week, Monday through Thursday. Larger commercial containers shall be serviced a minimum of once per week and a maximum of six (6) times per week, Monday through Saturday, except authorized holidays for city employees and unavoidable inclement weather.
- (3) ~~The rate for providing extra collection of any 95-gallon cart shall be twice the monthly collection rate based on the number of collections per week as established by §50.40(B)(1). The rate for providing extra collection of any commercial loadall-type container-front load dumpster shall be \$8.19~~ one-half the monthly per cubic yard rate for each dumpster size, per cubic yard.
- (4) ~~The rate for providing cardboard and paper recycling service shall be \$8.19 per cubic yard.~~ 25% of the equivalent commercial container trash service
- (5) ~~Container rental is a flat fee per month.~~

Container Rental/Dumpster Lease Fee Schedule

Container Size	Monthly Rate
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(Cubic Yards)	
2 yd	\$12.89 <u>\$13.53</u>
4 yd	\$14.73 <u>\$15.47</u>
6 yd	\$17.14 <u>\$18.00</u>
8 yd	\$20.24 <u>\$21.25</u>

(G) — A residential multi-family complex office shall pay an additional \$0.95 per month to its recycling and trash collection bill as if it were an individual unit when the residential multi-family complex is receiving recycling service.

(D) — ~~Loadall Type Container Service.~~ The monthly rate for one pickup per week for any commercial establishment using loadall type containers for collection of garbage shall be \$16.38 per cubic yard collected.

(E) — ~~Commercial Recycling.~~ Limited commercial recycling is offered per the table below.

Size	Once Per Week
	<u>Rate Per Pick-up</u>
4 yd cardboard	\$32.76
	<u>\$22.11</u>
6 yd cardboard	\$49.14
	<u>\$28.75</u>
8 yd cardboard	\$65.52
	<u>\$36.00</u>
4 yd paper	\$32.76
	<u>\$22.11</u>
48 gal recycle bin (up to five bins)	\$5.88

	<u>\$5.00</u>
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(F) *Use of Composting Facility.*

- (1) —Businesses, including commercial landscapers and tree trimmers, and nonresidents that bring brush to the city's composting facility for disposal will be charged as follows:

Composting User Fee Schedule

Size	Rate
Compact pickup trucks	<u>\$5.25</u>
	<u>\$5.00</u>
Full size pickup trucks	<u>\$8.00</u>
	<u>\$8.40</u>
Trailers up to 14 feet long	<u>\$10.00</u>
	<u>\$10.50</u>
Trailers greater than 14 feet long	<u>\$15.00</u>
	<u>\$15.75</u>

(Code 1965, §§10-28, 10-29, 10-29.1; Ord. No. 1194, 4-6-59; Ord. No. 1443, 4-26-65; Ord. No. 2587, 12-18-79; Ord. No. 2751, 8-18-81; Ord. No. 2767, 10-20-81; Ord. No. 2855, 9-21-82; Ord. No. 2886, 1-18-83; Ord. No. 3626, 8-4-92; Ord. No. 3755, §§3, 4, 12-21-93; Ord. No. 3841, §1, 11-16-94; Ord. No. 3842, §3, 11-16-94; Ord. No. 3993, §§1—5, 9-17-96; Ord. No. 4111, §5, 8-4-98; Ord. No. 4349, 11-6-01; Ord. No. 4382, 3-19-02; Ord. No. 4415, §5, 9-17-02; Code 1991, §50.40, Ord. No. 4457 §50.40, 01-21-03; Ord. No. 4765, 09-20-05; Ord. No. 5278, 10-05-09; Ord. No. 5299, 12-15-09; Ord. No. 5470, 12-20-11; Ord. No. 5565, 02-19-13; Ord. No. 5691, 6-03-14)



113 West Mountain Street
Fayetteville, AR 72701
(479) 575-8323

Resolution: 278-18

File Number: 2018-0706

RECYCLING AND TRASH COLLECTIONS RATE STUDY:

A RESOLUTION TO ACCEPT AND ADOPT A NEW RECYCLING AND TRASH COLLECTION RATE STUDY

WHEREAS, the City Council passed Resolution No. 49-17 on February 21, 2017, accepting and adopting an amended Solid Waste Reduction, Diversion, and Recycling Master Plan and revising the City's diversion goal to 40% by 2027; and

WHEREAS, the City Council passed Resolution No. 49-18 on February 6, 2018, authorizing a contract with MSW Consultants, LLC for the development of a comprehensive cost-of-service and rate study for the Recycling and Trash Collection Division based on the goals set forth in the Master Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

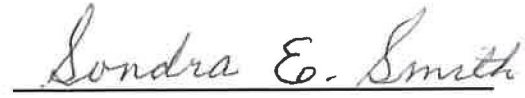
Section 1: That the City Council of the City of Fayetteville, Arkansas hereby accepts and adopts the Recycling & Trash Collection Rate Study, a copy of which is attached to this Resolution.

PASSED and APPROVED on 12/18/2018

Approved:


Lioneld Jordan, Mayor

Attest:


Sondra E. Smith, City Clerk Treasurer





City of Fayetteville, Arkansas

113 West Mountain Street
Fayetteville, AR 72701
(479) 575-8323

Text File

File Number: 2018-0706

Agenda Date: 12/18/2018

Version: 1

Status: Passed

In Control: City Council Meeting

File Type: Resolution

Agenda Number: D. 15

RECYCLING AND TRASH COLLECTIONS RATE STUDY:

A RESOLUTION TO ACCEPT AND ADOPT A NEW RECYCLING AND TRASH COLLECTION RATE STUDY

WHEREAS, the City Council passed Resolution No. 49-17 on February 21, 2017, accepting and adopting an amended Solid Waste Reduction, Diversion, and Recycling Master Plan and revising the City's diversion goal to 40% by 2027; and

WHEREAS, the City Council passed Resolution No. 49-18 on February 6, 2018, authorizing a contract with MSW Consultants, LLC for the development of a comprehensive cost-of-service and rate study for the Recycling and Trash Collection Division based on the goals set forth in the Master Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby accepts and adopts the Recycling & Trash Collection Rate Study, a copy of which is attached to this Resolution.

City of Fayetteville Staff Review Form

2018-0706

Legistar File ID

12/18/2018

City Council Meeting Date - Agenda Item Only

N/A for Non-Agenda Item

Peter Nierengarten

11/29/2018

RECYCLING/TRASH COLLECTION (750)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

Staff recommends approval of a resolution adopting the Recycling and Trash Collections Rate Study prepared by MSW Consultants

Budget Impact:

Account Number

Fund

Project Number

Project Title

Budgeted Item? No

Current Budget

Funds Obligated

Current Balance

\$ -

Does item have a cost? No

Item Cost

Budget Adjustment Attached? No

Budget Adjustment

Remaining Budget

\$ -

V20180321

Purchase Order Number:

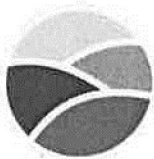
Previous Ordinance or Resolution # Res 49-18

Change Order Number:

Approval Date:

Original Contract Number:

Comments:



MEETING OF DECEMBER 18, 2018

TO: Mayor and City Council
THRU: Don Marr, Chief of Staff
FROM: Peter Nierengarten, Sustainability Department Director
DATE: November 29, 2018
SUBJECT: Recycling and Trash Collections Rate Study

RECOMMENDATION:

Staff recommends approval of a resolution adopting the Recycling and Trash Collections Rate Study prepared by MSW Consultants.

BACKGROUND:

The City's Recycling and Trash Collections Division operates an integrated solid waste management program that services Fayetteville residents and businesses. In addition to providing the collection of refuse, recyclables and yard waste from residential and commercial customers, the City also owns and operates several waste management facilities, including a transfer station, recycling center, compost facility and two recycling convenience centers. The Recycling and Trash Collections Division is experiencing growth in accounts and has recently completed the regulatory process to increase the permitted tonnage limit at its transfer station. The Recycling and Trash Collections Division is funded through user fees charged to the residents and businesses directly receiving services. Although the City's rate structure allows it to appropriately and comprehensively charge users for the services received, the City has not conducted a formal cost-of-service and rate study for over twenty years.

In early 2017 the City Council adopted the Solid Waste Reduction, Diversion and Recycling Master Plan. The plan identified several additional programs that would be necessary to divert more materials from the landfill, notably expanded recycling, food waste compost program and construction and demolition waste recycling. To adequately fund implementation of these programs the City needed to understand the anticipated operational costs of these programs. In anticipation of upcoming enhancements to the system as a result of Master Plan implementation, and because of the time elapsed since the prior cost-of-service study, the City retained MSW Consultants in 2018 to conduct a Recycling and Trash Collection Rate Study that would comprehensively evaluate the solid waste systems full cost of service, and to develop a five-year financial plan and collection and disposal rate recommendations.

DISCUSSION:

The process that MSW Consultants utilized to develop the Recycling and Trash Collections Rate Study contained the following steps and objectives:

- Review collection and disposal operations and other ancillary programs provided by the Recycling and Trash Division, including staffing levels and administration, to obtain a detailed understanding of the operation requirements of the system.
- Compile historical and projected revenues, expenses, and capital purchases from budget documents and historical reports for the Recycling and Trash Division, including residential and commercial collections and the disposal and recovery operations at the transfer station, recycling center and compost facility.
- With input from City staff, integrate the projected costs of new programs associated with implementing the Master Plan.
- Establish test-year revenue requirements as well as projected full costs for a five-year planning period to identify the rate revenues that will be needed to cover direct operating expenses, capital purchases, and targeted operating reserve levels and assure the financial health of the system.
- Recommend adjustments to the current rate structure as well as a five-year rate path to cover revenue requirements, provide the City's residents and businesses with appropriate incentives to utilize the recycling program, maximize rate equality, and minimize shock to existing customers.

MSW Consultants provided a detailed analysis of the existing waste collection services, facilities and rates for each major service type. The consultant also provided a cost of service analysis and projected the rates needed to fund the various services. This included identifying the costs associated with new or expanding commercial, organics, commercial glass and multi-family recycling services - all supported in the 2017 Solid Waste Reduction, Diversion and Recycling Master Plan. And lastly, final collection and disposal rate recommendations are provided for all facilities and collection services.

Implementation of the Recycling and Trash Collections Rate Study will enable the Recycling and Trash Collections Division increase waste diversion by implementing following service enhancement:

- All-inclusive trash and recycling for multi-family and small commercial complexes (previously these customers had to pay extra for recycling services)
- Expanding curbside recycling to apartment complexes with 24 units or less
- Discounted commercial cardboard and paper recycling
- Transition commercial food waste composting pilot to full service
- Transition commercial glass recycling pilot to full service
- Increase transfer station tip fees to encourage diversion (out-of-City transfer station rate includes a premium for use of City resources)

BUDGET/STAFF IMPACT:

The overall rate impact of the recommended rates is a 9.1% increase over current rates. The table below shows the rate impact on the various service categories.

Service	Current Rate Revenue	Recommended Rate Revenue	Recommended % Increase
Single Family	\$4,600,834	\$4,832,347	5.0%
Multi-Family Residential (includes Drop-offs)	\$1,544,641	\$1,515,913	-1.9%
Commercial Trash & Recycling (combined)	\$3,079,898	\$3,565,379	15.8%
Temporary Containers	\$58,900	\$61,845	5.0%
Drop-Box	\$1,267,628	\$1,436,785	13.3%
Scale/Tip Fees	\$906,295	\$1,085,936	19.8%
Total for 2019	\$11,458,196	\$12,498,206	9.1%

Additionally, to maintain rates that continue to cover increasing cost of service, the rate study recommends applying the Consumer Price Index (CPI) increase to all customer classes and rates – previously the CPI had only been applied to residential rates.

Attachments:

Recycling and Trash Collection Rate Study by MSW Consultants