



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 23, 2020

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER /s/

DOCKET TITLE:

Consideration of a Resolution to Adopt Refuse Fee Increases for FY 2021 [ROLL-CALL-VOTE].

ISSUE: A resolution to revise the Transportation & Environmental Services Department Residential and Commercial Refuse Fees.

RECOMMENDATION: That City Council adopt the attached Resolution (Attachment) as part of the FY 2021 Approved Budget. The new fee(s) will be effective July 1, 2020.

BACKGROUND: This memorandum provides detailed information regarding a proposed residential and commercial refuse fee increase for FY 2021. The fee increase is projected to bring in an additional \$1,016,707 in revenue from residential fees and \$21,394 in revenue from commercial fees for the City in FY 2021.

DISCUSSION: Staff proposes an increase to the Transportation & Environmental Services Department Residential Refuse Fee from \$411 to \$460, which was last increased in FY 2020. Staff also proposes an increase to the Commercial Refuse Fee from \$373 to \$411 which was last increased in FY 2017. The fee increases would keep the cost of residential services fully fee supported and get the commercial fee closer to full cost recovery.

The cost of the City's recycling processing contract has increased significantly. This is in line with national trends largely because the value of recycling materials has dropped so dramatically. The City awarded a new recycling processing contract which went into effect December 2019 after the final option year was exercised in the former contract. The value of recycling has dropped since China's "National Sword" program went into effect banning materials from "contaminated" post-consumer recyclables.

The City accounted for savings from the new glass recycling program of \$33,172. Residents began recycling

glass at the region's 28 "purple bin" drop-off locations during FY 2020. This decreases the weight of curbside recycling and leads to a savings to the City.

Yard waste collection is being expanded to meet high demand, and duties will be transferred from the City to a vendor to perform the service at a lower cost. The new contract costs \$663,870, but this is offset by the elimination of two now unnecessary equipment operator positions via attrition, which saves \$128,483.

Since yard waste collection will be performed by a vendor, the City no longer needs to replace a refuse collection truck which was budgeted for replacement in FY 2021. This savings of \$281,517 is used to partially offset the cost of the new yard waste collection contract. The sale of the old truck will also generate \$50,000 in new one-time revenue.

FISCAL IMPACT: Increasing the residential fee is projected to generate approximately \$1,016,707 in additional revenue each year and increasing the commercial refuse fee is projected to generate approximately \$21,394 in additional revenue each year.

ATTACHMENT: Resolution

STAFF:

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