

# SANITATION SERVICES AND SERVICE FEES



David Stoneback  
Public Works Agency Director

September 25, 2017

# COMMUNITY MEETING

Staff held a livestreamed community meeting on Council Chambers on Wednesday, September 20 from 7:00-8:30pm

About a dozen community members were in attendance

# COMMUNITY CONCERNS

1. Has staff conducted an analysis of the City's cost to provide Recycling v. having it outsourced?
2. General concerns about placing food scraps in large yard waste containers
3. Questions regarding why the City does not generate more revenue from recycling, specifically the sale of recyclable commodities
4. Why do the City's recyclable materials go to Groot to be processed?
5. General pushback to "burying" cost of services in the property tax bill, desire to have residents know what they are paying for
6. Interest in having a rate structure that incentivizes waste reduction (recycling, yard waste & food scrap)
7. The raising costs of services and the request that staff explore if other municipalities have found alternative service models

# SERVICES PROVIDED

Residential Refuse Collection

Condominium Refuse Collection

Yard Waste Collection

Commercial Properties Food Scrap Program

Recycling at Large Apartment Buildings

# RESIDENTIAL REFUSE

Once per week collection of refuse by contractor.

- 95-Gallon Cart and one 30-Gallon Bag
- 65-Gallon Cart
- Additional Cart of any size

Service provided by Contractor is to collect refuse and transport it to Solid Waste Agency of Northern Cook County (SWANCC). SWANCC disposes of the refuse and charges Evanston for this service.

Once per week collection of recycling materials by City employees from 95-Gallon Carts.

Recycling material is taken to Groot's Material Recovery Facility  
No changes of service are contemplated for refuse in this RFP.

---

# CONDOMINIUM REFUSE

Provided to owner-occupied buildings with 6-units or greater that are at least 75% owner-occupied.

Twice per week collection provided by contractor. If additional service is required, the extra collection service shall be obtained at the expense of the building occupants or owners.

Contractor provides the service and is responsible for collection and disposal.

Once per week collection of recycling materials by City employees from 95-Gallon Carts.

Recycling material is taken to Groot's Material Recovery Facility  
No changes of service are contemplated for refuse in this RFP.

---

# YARD WASTE

Once per week collection by contractor – existing service levels shown below

Provided to all residential properties

Yard Waste shall be placed in either

- 30-Gallon Kraft paper bags
- Bundles no longer than 4' in length and 3' in diameter tied with cloth ties  
Tree branches less than 4" diameter are considered yard waste
- 95-Gallon cart

Yard Waste is taken to Groot's Elk Grove facility

# SUMMARY OF SERVICES

Service Description	Residential Refuse	Condominium Refuse	Yard Waste
Current Service Provider	Groot Industries	Lakeshore Recycling Services	Groot Industries
Properties Covered	Single family to multi-unit apartments 5 units and less	Owner-occupied buildings greater than 6 units	All non-commercial franchise residential buildings
Number of Units	14,518	5,500	20,018
Number of Stops	12,360	354	12,714
Service Rates	One City-issued 65 gallon wheeled refuse cart \$7.95	\$ 8.65 per unit per month	95 gallon container (\$82.50 to purchase and \$25 annually)
	One City-issued 95 gallon wheeled refuse cart plus one additional trash bag no larger than 30 gallons \$17.95	N/A	\$1.75 per sticker
	Any additional wheeled refuse cart of any size \$7.95	N/A	N/A



# RFP BID ITEMS

## Bid Item 1

- Residential Refuse Collection

Alternate 1 – Contractor picks up the cart plus up to an additional 3 yards

Alternate 2 – Contractor picks up cart plus any and all additional legal debris

Low proposal of \$1,580,136 from Groot Industries

Staff is not recommending award of any alternates.

## Bid Item 2

- Condominium Refuse Collection

Low proposal of \$423,000 from Lakeshore Recycling

# RFP BID ITEMS

## Bid Item 3

- Yard Waste

Alternate 1 – Shortened Sticker Season

Alternate 2 – 12 month Food Scrap Ride Along

Alternate 3 – 12 month Food Scrap Ride Along, Shortened Sticker Season

Alternate 4 – Mandatory 12 month Food Scrap Ride Along

Low proposal of \$623,677 from Lakeshore Recycling  
Staff is not recommending award of any alternates.

Includes placing food scrap in yard waste carts during 8.5 month yard waste collection season at no additional cost

# RFP BID ITEMS

## Bid Item 4

- Stand Alone Food Scrap Program (Subscription)

This is a proposed new service that applies only to commercial customers since residential customers will be able to place food scraps in yard waste carts.

Commercial customers can sign up for the program at the rates provided for in the proposal.

Low proposal is from Collective Resource, Inc., which is a woman-owned and Evanston-owned business that employs 7 Evanston residents.

# RFP REQUIREMENTS

- Goal to hire one Evanston resident throughout the term of the contract
- Reduction of greenhouse gas emissions by 3% per year
- Must provide reports and attend meetings quarterly
- Purchase of spare containers built into unit prices
- Bonus / Penalty performance measures
  - 168 to 192 missed pickups per quarter is the acceptable range

If performance is better than acceptable range, contractor receives a \$1,800 bonus (\$600/month for 3 months)

If performance is worse than acceptable range, contractor is penalized \$1,800 (\$600/month for 3 months)

# RECYCLING AT LARGE APARTMENT BUILDINGS

- City is currently operating a pilot recycling program at 157 apartment buildings with 6 units or greater without any service fee.
- Another 151 apartment buildings with 6 units or greater do not have this same recycling opportunity.
- Staff is recommending the establishment of a \$1.85 per month per unit fee for recycling at all apartment buildings 6 units or greater beginning January 1, 2019.

# SOLID WASTE FUND

The Solid Waste Fund is projected to have a fund balance deficit of (\$800,000) at the end of FY 2017.

The General Fund transfers \$1,055,967 to the Solid Waste Fund annually.

With an anticipated 2% annual cost increase to provide the sanitation services, increased revenues are needed to support the Solid Waste Fund.

Staff's goal is to eliminate the General Fund transfer and to have the Solid Waste Fund have a positive balance within the next few years.

# SOLID WASTE FUND

As the next slide indicates, the Do Nothing Approach, meaning no rate increases and maintaining the existing General Fund transfer will cause the Solid Waste Fund balance to have a greater deficit.

Staffed looked at three options to raise revenues in the Solid Waste Fund to reduce / eliminate the transfer from the General Fund while improving the Solid Waste Fund balance

- Option 1: use a mix of property tax and sanitation charge increases
- Option 2: use only property tax increases
- Option 3: use only sanitation fee increases

# DO NOTHING

	2017 Fund Balance Projection	2018 Expenses	2018 Revenues	2019 Expenses	2019 Revenues	2020 Expenses	2020 Revenues
General Fund Transfer	-	-	\$1,055,967.00	-	\$1,055,967.00	-	\$1,055,967.00
Total Operating Cost *	-	\$4,987,480.14	\$5,165,910.64	\$5,172,049.74	\$5,165,910.64	\$5,275,490.74	\$5,165,910.64
Solid Waste Fund Proceeds/(deficit)	-	-	\$178,430.50	-	(\$6,139.10)	-	(\$109,580.10)
Solid Waste Fund Balance	(\$800,000.00)	-	(\$621,569.50)	-	(\$627,639.10)	-	(\$731,080.10)

- Operating expenses are projected to go up 2% annually



# MIX OF PROPERTY TAX INCREASE AND RATE INCREASES

	2017 Rates	Proposed 2018 % increase	2018 Rates	% increase	2019 Rates
Residential Refuse Collection	95 Gal = \$17.95	9% rate increase	95 Gal = \$19.50	0% rate increase	95 Gal = \$19.50
Residential Recycling Collection	65 Gal = \$7.95		65 Gal = \$8.65		65 Gal = \$8.65
Residential Refuse Disposal					
Condominium Refuse Collection	\$8.65/ unit/mo	3% rate increase	\$8.85/ unit/mo	0% rate increase	\$8.85/ unit/mo
Condominium Recycling Collection					
Yard Waste Carts	\$25/year	100% rate increase	\$50/year	0% rate increase	\$50/year
Yard Waste Stickers	\$1.75 each	40% rate increase	\$2.50 each	0% rate increase	\$2.50 each
General Fund Transfer	\$1,055,967	-	\$700,000.00	-	\$350,000.00
2018 Property Tax Increase (0.5%)	-	0.5% rate increase	\$205,000.00	-	\$205,000.00
2019 Property Tax Increase (0.5%)	-	-	-	0.5% rate increase	\$205,000.00
Total	-	-	\$5,465,818.00	-	\$5,474,442.00
Solid Waste Fund Proceeds/(deficit)	-	-	\$478,337.86	-	\$302,392.26
Solid Waste Fund Balance	(\$800,000.00)	-	(\$321,662.14)	-	(\$19,269.88)

# 2017 VS 2018

## 2017

95-Gal Cart: \$17.95 per month x 12 months = \$215.40

65-Gal Cart: \$ 7.95 per month x 12 months = \$ 95.40

Yard Waste Cart: \$25 annual fee

Yard Waste Sticker: \$1.75 per sticker x 10 stickers = \$17.50

## 2018 (9% sanitation fee increase)

95-Gal Cart:: \$19.50 per month x 12 months = \$234.00 (+\$18.60)

65-Gal Cart:: \$ 8.65 per month x 12 months = \$103.80 (+\$ 8.40)

Yard Waste Cart: \$50 annual fee (+\$25.00)

Yard Waste Sticker: \$2.50 per sticker x 10 stickers = \$25.00 (+\$7.50)

# 2017 VS 2018

Market Value of Home	Assess Value of Home	Equalized Value of Home	City Tax	0.5 % Tax Increase	New City Tax
200,000	20,000	53,370	\$ 961	\$ 4.80	\$ 965
400,000	40,000	106,740	\$ 1,921	\$ 9.61	\$ 1,931
600,000	60,000	160,110	\$ 2,882	\$ 14.41	\$ 2,896
800,000	80,000	213,480	\$ 3,843	\$ 19.21	\$ 3,862
1,000,000	100,000	266,850	\$ 4,803	\$ 24.02	\$ 4,827

## GF TRANSFER REDUCTION AND PROPERTY TAX INCREASE

	2017 Fund Balance Projection	2018 Expenses	2018 Revenues	2019 Expenses	2019 Revenues	2020 Expenses	2020 Revenues
General Fund Transfer	-	-	\$700,000.00	-	\$350,000.00	-	-
2018 Property Tax Increase (1.0%)	-	-	\$410,000.00	-	\$410,000.00	-	\$410,000.00
2019 Property Tax Increase (1.0%)	-	-	-	-	\$410,000.00	-	\$410,000.00
2020 Property Tax Increase (1.0%)	-	-	-	-	-	-	\$410,000.00
<b>Total</b>	-	\$4,987,480.14	\$5,219,943.64	\$5,172,049.74	\$5,279,943.64	\$5,275,490.74	\$5,339,943.64
Solid Waste Fund Proceeds/(deficit)	-	-	\$232,463.50	-	\$107,893.90	-	\$64,452.90
Solid Waste Fund Balance	(\$800,000.00)	-	(\$567,536.50)	-	(\$459,606.10)	-	(\$395,153.20)

# 2017 VS 2018

Market Value of Home	Assess Value of Home	Equalized Value of Home	City Tax	1.0 % Tax Increase	New City Tax
200,000	20,000	53,370	\$ 961	\$ 9.61	\$ 970
400,000	40,000	106,740	\$ 1,921	\$ 19.21	\$ 1,941
600,000	60,000	160,110	\$ 2,882	\$ 28.82	\$ 2,911
800,000	80,000	213,480	\$ 3,843	\$ 38.43	\$ 3,881
1,000,000	100,000	266,850	\$ 4,803	\$ 48.03	\$ 4,851

## RAISE RATES AND REDUCE TRANSFER

	2017 Rates	% increase	2018 Rates	% increase	2019 Rates	% increase	2020 Rates
Residential Refuse Collection	95 Gal = \$17.95 65 Gal = \$7.95	9% rate increase	95 Gal = \$19.50 65 Gal = \$8.65	8% rate increase	95 Gal = \$21.05 65 Gal = \$9.35	0% rate increase	95 Gal = \$21.05 65 Gal = \$9.35
Residential Recycling Collection							
Residential Refuse Disposal							
Condominium Refuse Collection	\$8.65/ unit/mo	3% rate increase	\$8.85/ unit/mo	2% rate increase	\$9.05/ unit/mo	0% rate increase	\$9.05/ unit/mo
Condominium Recycling Collection							
Yard Waste Carts	\$25/year	100% rate increase	\$50/year	20% rate increase	\$60/year	0% rate increase	\$60/year
Yard Waste Stickers	\$1.75 each	40% rate increase	\$2.50 each	10% rate increase	\$2.75 each	0% rate increase	\$2.75 each
General Fund Transfer	-	-	\$700,000	-	\$350,000.00	-	-
Total	-	-	\$5,260,818.00	-	\$5,400,713.00	-	\$5,050,713.00
Solid Waste Fund Proceeds/(deficit)	-	-	\$273,337.86	-	\$228,663.26	-	(\$224,777.74)
Solid Waste Fund Balance	(\$800,000.00)	-	(\$526,662.14)	-	(\$297,936.74)	-	(\$522,714.48)

# 2017 VS 2018

## 2017

95-Gal Cart: \$17.95 per month x 12 months = \$215.40

65-Gal Cart: \$ 7.95 per month x 12 months = \$ 95.40

Yard Waste Cart: \$25 annual fee

Yard Waste Sticker: \$1.75 per sticker x 10 stickers = \$17.50

## 2018 (9% sanitation fee increase)

95-Gal Cart:: \$19.50 per month x 12 months = \$234.00 (+\$18.60)

65-Gal Cart:: \$ 8.65 per month x 12 months = \$103.80 (+\$ 8.40)

Yard Waste Cart: \$50 annual fee (+\$25.00)

Yard Waste Sticker: \$2.50 per sticker x 10 stickers = \$25.00 (+\$7.50)

# 2018 VS 2019

**2018** (9% sanitation fee increase)

95-Gal Cart:: \$19.50 per month x 12 months = \$234.00 (+\$18.60)

65-Gal Cart:: \$ 8.65 per month x 12 months = \$103.80 (+\$ 8.40)

Yard Waste Cart: \$50 annual fee (+\$25.00)

Yard Waste Sticker: \$2.50 per sticker x 10 stickers = \$25.00 (+\$7.50)

**2019** (9% sanitation fee increase)

95-Gal Cart:: \$21.05 per month x 12 months = \$252.60 (+\$18.60)

65-Gal Cart:: \$ 9.35 per month x 12 months = \$112.20 (+\$ 8.40)

Yard Waste Cart: \$60 annual fee (+\$10.00)

Yard Waste Sticker: \$2.70 per sticker x 10 stickers = \$27.50 (+\$2.50)



# QUESTIONS