



ADDENDUM I

BLOOMINGTON CITY COUNCIL AGENDA

SEPTEMBER 23, 2013

ADDITION TO CONSENT AGENDA

- Item 6B. Bills and Payroll. (Recommend that the bills and payroll be allowed and orders drawn on the Treasurer for the various amounts as funds are available.) *City Council Memorandum with Attachment 1.*
- Item 7B. Text Amendment to Chapter 21 Refuse regarding Discontinuing Refuse Collection to Housing with Five or More Units. (Recommend that the Text Amendment be approved and the Ordinance be passed.) *Updated Memo.*



FOR COUNCIL: September 23, 2013

SUBJECT: Bills and Payroll

RECOMMENDATION/MOTION: That the bills and payroll be allowed and orders drawn on the Treasurer for the various amounts as funds are available.

STRATEGIC PLAN LINK: Goal 1. Financially sound City providing quality basic services.

STRATEGIC PLAN SIGNIFICANCE: Objective 1.d. City services delivered in the most cost-effective, efficient manner.

FINANCIAL IMPACT: Total disbursements to be approved \$6,931,106.23, (Payroll total \$2,230,404.78, Accounts Payable total \$4,535,198.67 and PCard Total \$165,502.78).

Respectfully submitted for Council consideration.

Prepared by: Patti-Lynn Silva, Director of Finance

Recommended by:

David A. Hales
City Manager

(ON FILE IN CLERK'S OFFICE)

Attachment: Attachment 1. Bills and Payroll on file in the Clerk's office. Also available at www.cityblm.org.
Attachment 2. Summary Sheet Bills and Payroll Report

Motion: That the bills and payroll be allowed and orders drawn on the Treasurer for the various amounts as funds are available.

Motion: _____ Seconded by: _____

	Aye	Nay	Other		Aye	Nay	Other
Alderman Black				Alderman Mwilambwe			
Alderman Fazzini				Alderman Sage			
Alderman Fruin				Alderman Schmidt			
Alderman Lower				Alderman Stearns			
Alderman McDade							
				Mayor Renner			



FOR COUNCIL: September 23, 2013

SUBJECT: Text Amendment to Chapter 21 Refuse regarding Discontinuing Refuse Collection to Housing with Five or More Units.

RECOMMENDATION/MOTION: That the Text Amendment be approved and the ordinance be passed.

STRATEGIC PLAN SIGNIFICANCE: Goal 1. Financially Sound City Providing Quality Basic Services. 1d. City services delivered in the most cost-effective, efficient manner.

BACKGROUND:

The City of Bloomington undertook a comprehensive look at refuse services, starting in April 2012. This process included staff research, Council discussion and public input. Among issues arising was whether to provide City service to apartments and mobile home parks. Staff research did not find an absolute template for service. To the contrary, experts told us that each City creates its own templates based on the needs and desires of the individual community and its municipal staff and elected leadership. That said, a survey of nine Central Illinois communities revealed that Bloomington is the only city surveyed which provides service to apartment complexes. It serves any apartment complex unless the landlord chooses to opt out. Most communities did not serve residences with more than 4 units. Of the others, Decatur set its cutoff at 6 units while **Normal established service according to building structure type: Only house- and duplex-style structures are serviced.** Also unlike Bloomington, most provided limited – or no – service to mobile home parks.

PDF Attachment: The Solid Waste Analysis Final Draft Report was made public in July. It contains 13 pages of discussion on the topic of service to apartments, counting notes from two public sessions with landlords. The report excerpts, plus other Solid Waste Analysis excerpts pertaining to this memo are attached.

Scope: During the week of September 16, 2013, Public Works collated its own collection data with records from the Water Department and PACE. It found that:

- 1,777 individual residences exist in 10 mobile home parks served by the City. They generate \$341,184 in revenue per year through the monthly refuse fee.
- 643 apartment units are being served by the City in 63 buildings containing more than 4 units. They generate \$123,456 per year in revenue. (This does not count Bloomington Housing Authority properties.)
- PACE shows there are 641 total apartment buildings with more than 4 units. Combined, these buildings have 8,255 units.
- **Therefore, landlords for 578 of the apartment buildings at issue – 4 or more units – already use private haulers. That means 90 percent of the buildings at issue already use private haulers while 10 percent use City service.**

Public policy issue: From a policy perspective, the issue hinges on how the City views apartments and mobile home parks.

- If apartments and mobile home parks are “groups of residences,” those residences should be served.

- If they are “businesses,” the business owners – the landlords – should make arrangements for private refuse services just as other businesses are expected to do. Moreover, the **apartment and mobile home “businesses” currently are being subsidized by taxpayers by, on average, \$51 per year per billed unit because City refuse service is subsidized by the General Fund.** (See Financial Impact below.)
- At least four haulers already operating in Bloomington would be capable of serving apartment buildings, mobile homes or both.

Staff believes mobile home parks and apartments with more than 4 units on a parcel should be viewed as businesses. *Staff recommends that service be terminated for apartment parcels containing more than 4 units and for mobile home parks.* To clarify, a duplex, three-plex and four-plex remains eligible for residential service under the proposed ordinance amendment. So would two neighboring four-plexes with common ownership if they are on separate parcels.

Logistical issues: The second issue involves logistics, especially in regard to apartments, as the City moves to automated collection of large, wheeled garbage carts. Every residence will be required to have at least one trash cart and is entitled to a recycling cart. This means 12 carts could be used by a six-unit building. **Proper storage of the carts becomes a problem. Collection of trash and recycling poses another, as apartment complexes generally allow on-street parking. The City’s automated trucks must have curbside access to carts.**

Central collection method: Public Works looked at the possibility of changing apartment service to central collection service facilitated by roll-off carts commonly called by the trademarked name Dumpsters. The Department found the cost to the City to be about \$180,000 for the truck plus the cost of the roll-off Dumpsters and additional labor needed. This would be added expenses to duplicate the services already available to apartment complexes through private haulers.

Private Haulers: During Solid Waste research, Staff identified the following private haulers currently working with the private sector in the Twin Cities:

- a) Allied Waste services (a Republic Services Company)
- b) Area Disposal (PDC Disposal)
- c) Casali & Sons Disposal
- d) Henson Disposal

Staff believes private haulers would be interested in expanding business to additional apartment complexes and mobile home parks but they have not been contacted. They now serve all of them in Normal and some of the apartment complexes in Bloomington.

Recycling implications: City Staff is concerned that ending apartment and mobile home service would decrease the amount of material recycled. A City goal is that all residents have access to recycling. It could partner with the landlords and haulers in some fashion to ensure that mobile homes and apartment complexes have recycling access. Champaign and Urbana are two communities which actively participate in apartment recycling even though both use contracted private service. The Champaign and Urbana collection models were discussed in the First Interim Report, and the excerpt is included in the PDF attachment.

Bloomington Housing Authority: As the Bloomington Housing Authority (BHA) is a nonprofit, City staff recommends that the City continue providing refuse service. The City and BHA are in the process of producing an intergovernmental agreement for Council consideration.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: Lengthy research, including public discussion, has occurred over the past year regarding the full range of refuse services. The matter has been discussed by an aldermanic committee (Infrastructure) and the City Council as a whole gave the matter some deliberation in September 2012. Landlords were gathered for meetings the afternoon of April 10 and the evening of April 11 to discuss the staff's recommendations. Twenty-five landlords and employees of landlords attended the two sessions.

FINANCIAL IMPACT: Historically, the General Fund (or taxpayer) has subsidized the City's refuse operations. Initially, the subsidy was 100 percent. (The City did not establish a fee until 2004.) Due to capital investments in equipment, the implementation of the recycling program and changes in management practices this subsidy has been reduced in FY2014 to 33 percent. **The City will continue to analyze this fund since a 33 percent subsidy represents a total \$2.5 million loss in uncovered costs. In FY2014 the budgeted General Fund subsidy or transfer is \$1,304,000 and is in addition to the depletion of the Solid Waste fund balance of \$1,251,246. It is projected that by the end of FY2014 the Solid Waste fund will not have any fund balance.**

Based on the FY2014 General Fund transfer only (without consideration of past transfers), it could be fairly stated that the City taxpayers spend on average \$50.62 per apartment unit and mobile home per year making payments on behalf of landlords and trailer park owners. This poses a significant question: Should the taxpayer be responsible for paying the expense of a business? Discontinuing service to businesses as defined above is recommended by staff and would have an immediate effect on the health of the refuse program and the Solid Waste fund. Further this would facilitate general fund dollars being utilized for only general operations. Programs that are user based such as the refuse program are enterprise activities and should be supported by the appropriate user fees and cover all related costs.

Staff also notes that mobile homes generate \$341,184 annually from fees and apartments with more than 4 units generate \$123,456. These customers do not "cause" the Solid Waste enterprise fund to require subsidy from the General Fund, and eliminating the service will not "solve" the subsidy issue. Rather, Staff hopes this solution is found through the full service and fee review, which is nearing completion.

Respectfully submitted for Council consideration.

Prepared by: Jim Karch, P.E., CFM, Public Works Director

Reviewed by: Barbara J. Adkins, Deputy City Manager

Financial & Budgetary review by: Patti-Lynn Silva, Finance Director

Legal review by: Todd Greenburg, Corporation Counsel

Recommended by:

David A. Hales
City Manager

Attachments: Attachment 1. Ordinance
Attachment 2. Excerpt from Solid Waste Report

Motion: _____ Seconded by: _____

	Aye	Nay	Other		Aye	Nay	Other
Alderman Black				Alderman Mwilambwe			
Alderman Fazzini				Alderman Sage			
Alderman Fruin				Alderman Schmidt			
Alderman Lower				Alderman Stearns			
Alderman McDade							
				Mayor Renner			

ORDINANCE 2013-____

**AN ORDINANCE AMENDING SECTION 300.1 OF CHAPTER 21
(REFUSE) OF THE BLOOMINGTON CITY CODE,
AMENDING THE SCOPE OF REFUSE COLLECTION SERVICE**

**BE IT ORDAINED BY THE
CITY COUNCIL OF THE CITY OF BLOOMINGTON:**

SECTION ONE: That Section 300.1 (a) of Chapter 21 of the Bloomington City Code, 1960, as amended, is further amended as follows (additions are indicated by underlines; deletions are indicated by strikeouts):

(a) The City shall provide refuse collection service from residential buildings with four units or less, but only for refuse generated by occupants of said residential buildings. The City will not pick up refuse from parcels with more than one residential building on the parcel. Refuse generated at another residence or business location will not be collected. Refuse shall be collected only under circumstances provided for herein.

SECTION TWO: That Section 300.1 (b) of Chapter 31 of the Bloomington City Code, 1960, as amended, authorizing refuse collection from mobile home parks under certain circumstances, is deleted in its entirety.

SECTION THREE: That the City Clerk be and she is hereby directed and authorized to publish this ordinance in pamphlet form as provided by law.

SECTION FOUR: That this ordinance shall take effect January 1, 2014.

SECTION FIVE: That this ordinance is adopted pursuant to Home Rule Authority granted the City of Bloomington by Article 7, Section 6, of the Illinois Constitution.

ADOPTED this ____ day of September, 2013.

APPROVED this _____ day of September, 2013.

APPROVED:

Tari Renner
Mayor

ATTEST:

Tracey Covert
City Clerk