



ADDENDUM I

BLOOMINGTON CITY COUNCIL AGENDA

APRIL 13, 2015

MEMO AND ATTACHMENTS TO REGULAR AGENDA

- Item 9C. Text Amendment to Chapter 21, Refuse Code, Section 300.7. (Recommend that the Text Amendment to Chapter 21, Refuse Code, Section 300.7, be approved and the Ordinance be passed.) (*Time 25 minutes. Presentation 5 minutes, Q/A 20 minutes.*)



FOR COUNCIL: April 13, 2015

SUBJECT: Text Amendment to Chapter 21, Refuse Code, Section 300.7

RECOMMENDATION/MOTION: That the Text Amendment to Chapter 21, Refuse Code, Section 300.7, be approved and the Ordinance be passed.

STRATEGIC PLAN LINK: Goal 1. Financially Sound City Providing Quality Basic Services.

STRATEGIC PLAN SIGNIFICANCE: Objective 1a. Budget with adequate resources to support defined services and level of services.

BACKGROUND: Staff is trying to find common ground acceptable to Council members to significantly reduce the gap between Solid Waste funding and fee-generated revenue. This is complicated, as members of Council, executive staff, Solid Waste Division employees and members of the public have provided a wide range of viewpoints.

Solid Waste currently has a wide gap between cost of the program and fees produced through the program. The projected deficit for FY16 is \$3 million. Staff offers a compromise plan that maintains high service, increases accessibility of service to residents with lower income levels, increases efficiency and reduces the funding gap. It will not fully close the funding gap, and proposals aimed at doing so have not been approved by the Council previously. Three recommendations follow:

1. Charge \$25 for all buckets of bulk collected at the curb. **Note:** The fee will be waived for residents who have signed up for the low-income discount.
2. Change the fee practices at the drop-off center. *The drop-off service isn't free currently. The City charges \$25 per bucket of bulk after the first bucket at the drop-off facility.* The drop-off center bulk should become free of charge for all buckets of bulky waste. This will apply only to customers of the Solid Waste program. It will not apply to businesses and contractors. The City will increase hours of operation.
3. Change bulk and brush collection to ever-other-week. Users of the solid waste system will be asked to place their bulk and brush on the curbside only on their recycling weeks. Every-other-week collection will improve efficiency of collection. Staff also will experiment with alternative ways of routing and tracking to replace the current method of bulk and brush collection in which bulk crews drive every street every week. This will reduce fuel and maintenance costs. In one area, the City ordinance already stipulates that bulk will be collected every two weeks; no ordinance change is needed in this area. The ordinance referring to charges for bulk per bucket, weekly, will be modified if this recommendation is approved. Users of the Solid Waste collection system may also choose to bring their bulk to the drop-off center rather than wait and set it out every other week.

First bucket of bulk: The reason staff advocates charging *some fee* for the first bucket of bulk at the curbside is because of the tremendous cost incurred from collecting it at the curb. The driving issue for bulk and brush pickup is the labor-intensive nature of our collection system. The City will be giving an incentive to residents to deliver their bulk to the drop-off rather than requiring curbside collection. Aldermen have noted that for economically struggling households, a fee for bulk – whether its \$50, \$25 or even \$10 – represents a burden. Many people simply cannot afford it. By providing a free drop-off facility, the City is able to provide a *free and more efficient option* of dropping it off at 402 S. East Street. A first-bucket fee will create more judicious use of the service by residents at all income levels, thereby reducing the number of curbside pickups and, as a result, reducing cost to the City.

There are numerous related issues that will now be addressed.

- Start date: Staff needs time for a public information effort and to work through operational logistics. Staff will notify Council members and the public as a start date approaches for the new fees and less frequent collection.
- Construction materials: Changes will not apply to collection and drop-off of shingles, rock and other construction materials outlined in the ordinance and requiring specially arranged collection and special fees to the City. The City will continue to charge for these construction materials at the drop-off center and the curb, calculating fees in order to provide the service at cost. The service is for do-it-yourselfers, not contractors.
- Appliances: Changes also do not apply to appliances. Appliances currently are collected at the curb by special arrangement of the customer and at the drop-off. A contracted hauler takes appliances at no cost to the City or to residents.
- Pickup by special arrangements: One concern is that the City will look cluttered if people don't wait to put out their bulk. Bulk could be sitting at a curb for two weeks. Residents will be asked to call Public Works to notify the Solid Waste Division of these situations. A bulk crew can be dispatched to pick up the pile rather than leaving it for the recycling day.
- “Efficiencies”: On March 31, staff sent a document to aldermen outlining planned measures for efficiency. Those are provided as an attachment to this memo. They are summarized below.

Charge for every bulk bucket at the curb; make bulk at the drop-off center free of charge.

Use a tracking system for bulky waste and brush to optimize routing.

Collect bulk and brush curbside every other week rather than weekly.

Test different equipment such as a knuckleboom truck on loan from Normal.

Become more proactive and aggressive in enforcing ordinances relating to solid waste rules and regulations.

- Staff desires no layoffs: Making the system more efficient will likely translate to fewer workers in the Solid Waste Division of the Public Works Department if “efficiencies” are to have meaningful budget impact. Conversations in regard to more efficient operations have centered on doing everything possible to move employees to vacant jobs outside of Solid Waste to prevent layoffs.
- Employee input: Executive staff has reached out to employees from the beginning of the study process headed by Assistant City Manager Rasmussen. This has included small weekly staff meetings in which Solid Waste personnel are invited. Additionally, Mr. Hales recently conducted a budget discussion in which all employees of Public Works operations were invited.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: The topic has been presented in various forums including aldermanic meetings, the Citizens’ Summit, staff meetings and City Council meetings.

FINANCIAL IMPACT:

Solid Waste Fund Financing Scenarios	
Exhibit A	
FY2016 Projected Deficit	\$ (3,000,000)
General Fund Subsidy	\$ 1,500,000
Adopted Cart Rate Increase May 1, 2015: \$16/\$20/\$23	\$ 530,000
Proposed \$25/Bucket Bulk Waste Fee (No Brush Fee)	\$ 350,000
Total Projected Surplus/(Deficit)	\$ (620,000)

Under City Council policy, the Solid Waste Fund should be self-supporting, with no General Fund subsidy and with a 10 percent reserve. The chart above, **Exhibit A**, notes a projected deficit in the Solid Waste Fund of \$3 million for FY16. That is offset by a \$1.5 million General Fund subsidy for FY16, \$530,000 in increased cart-fee revenue from the scheduled rate increase effective May 1, 2015, and \$350,000 in revenue from curbside bulk collection. After these offsets, **Exhibit A** still shows a \$620,000 deficit that must be solved by efficiencies and cost savings such as those proposed above, raising fees or a combination of both..

Exhibit A estimates a drop in bulk waste usage. However, it is exceedingly difficult to estimate the change in consumer behavior due to a change in the curbside bulk fee and free bulk drop-off.

Respectfully submitted for Council consideration.

Prepared by: Stephen Arney, Public Works Administration

Reviewed by: Jim Karch, PE CFM, Public Works Director

Reviewed by: Steve Rasmussen, Assistant City Manager

Financial & Budgetary review by: Carla A. Murillo, Budget Manager

Legal review by: Jeffrey R. Jurgens, Corporation Counsel

Recommended by:



David A. Hales
City Manager

Attachments: Attachment 1. Ordinance
Attachment 2: Efficiencies document

Motion: That the ordinance be passed.

Motion: _____ Seconded by: _____

	Aye	Nay	Other		Aye	Nay	Other
Alderman Black				Alderman Painter			
Alderman Fruin				Alderman Sage			
Alderman Hauman				Alderman Schmidt			
Alderman Lower				Alderman Stearns			
Alderman Mwilambwe							
				Mayor Renner			

ORDINANCE 2015 - ____

AN ORDINANCE AMENDING THE CITY CODE PROVISIONS
ON BULK WASTE & BRUSH COLLECTION

BE IT ORDAINED BY THE CITY COUNCIL
OF THE CITY OF BLOOMINGTON, ILLINOIS:

SECTION 1. That Chapter 21, Section 300.7 of Article III of the Bloomington City Code, 1960, as amended, shall be further amended as follows (unless otherwise noted, additions are indicated by underlines; deletions indicated by strikeouts):

Section 300.7: Bulk Waste Collection.

Bulk waste and building waste may be collected by the City under rules established by the Director of Public Works and approved by the City Manager, and for the charges set forth herein, but only with respect to bulk waste or building waste generated or created by the occupant or owner of residential property included in the City's solid waste, brush and bulk waste program, with proper permits, as needed. The City will not collect bulk waste or building waste generated or created by any contractor, subcontractor or other person for hire and/or bartering. The City will charge the customer twenty-five (\$25.00) dollars per loader bucket for curbside collection. For bulky waste and building waste collection at multi-family residences, the charges set forth herein shall be due and payable from the unit responsible for the disposal material. However, if the City cannot ascertain with certainty the person and unit address responsible for the materials, the property owner shall be charged and responsible for the disposal costs. The City shall waive all curbside bulk fees for residents who receive the low-income discount, as detailed in Chapter 21: Section 301.8. An occupant or owner of residential property included in the City's solid waste, brush and bulk waste program may deliver and drop-off bulk waste and building waste, free of charge, at the City's drop-off facility, 402 S. East Street in Bloomington, Illinois, during the facility's posted hours. The City will not collect any sod, concrete, bricks or shingles unless the person who participates in the bulk waste collection program requests a pickup of such sod, concrete, bricks or shingles. After such a request is made, the City will pick up such sod, concrete, or shingles and will charge the resident for the actual cost of the pickup and disposal of such material. ____ for anything beyond thirty five pounds of material. The determination by the City of the weight of the material shall be final. The City will charge the customer twenty-five (\$25.00) dollars per loader for anything collection over one loader bucket weekly.

SECTION 2. Except as provided herein, the Bloomington City Code, 1960, as amended shall remain in full force and effect.

SECTION 3. In the event that any section, clause, provision, or part of this Ordinance shall be found and determined to be invalid by a court of competent jurisdiction, all valid parts that are severable from the invalid parts shall remain in full force and effect.

SECTION 4. The City Clerk is hereby authorized to publish this ordinance in pamphlet form as provided by law.

SECTION 5. This ordinance shall be effective immediately after the date of its publication as required by law.

SECTION 6. This ordinance is passed and approved pursuant to the home rule authority granted Article VII, Section 6 of the 1970 Illinois Constitution.

PASSED this 13th day of April, 2015.

APPROVED this ____ day of April, 2015.

APPROVED:

Tari Renner
Mayor

ATTEST:

Renee Gooderham
Acting City Clerk



Staff plans on efficiency:

City staff has explored changes to the Solid Waste program that would produce cost savings and greater efficiency.

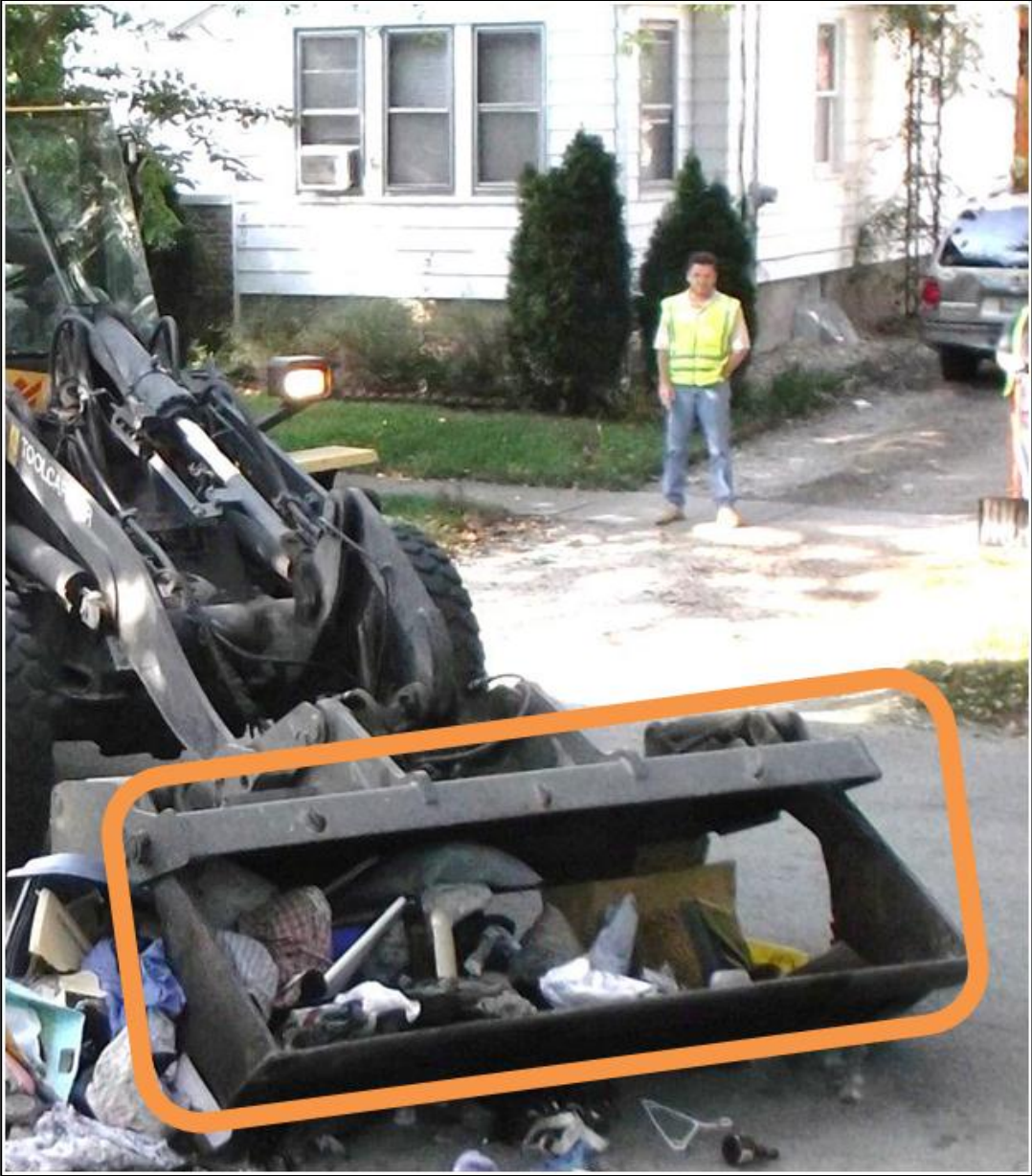
1. Charge something for every bulk bucket at the curb; make bulk at the drop-off center free of charge.
2. Track bulky waste and brush to optimize routing.
3. Collect bulk and brush curbside every other week rather than weekly.
4. Test a knuckleboom truck on loan from Normal.
5. Become more proactive and aggressive in enforcing ordinances.

Charging for the first bucket of bulk, curbside: In order to gain efficiencies, the City should motivate customers to become efficient. This means charging something for the first bulk bucket at the curb and changing our drop-off policy to free bulk drop-off at 402 S. East St. (*The current practice at the drop-off facility is to provide a no-cost first bucket and charge \$25 for additional buckets per customer per week.*) The system would be easy to implement and reflects cost, as our cost is greatly increased by using employees to collect bulk at the curb citywide compared to accepting it from customers at the drop-off facility. Staff intends to use customer and staff efficiencies to reduce bulk staff and reassign those employees to other jobs. The first-bucket charge is a crucial element to this plan. Staff recommends \$25 per bucket, but the most important factor is that there is some charge for the initial use of bulk service at the curb.

Measuring buckets of bulk: In response to Council questions, staff has assembled photographs. A single bucket of bulk is the amount of bulk that fits into a front end loader bucket. It is an approximation based on the knowledge of our staff members and supervisors plus the experience of actually collecting a bulk pile at a residence. It is not exact. Our employees understand this. They do not – and will not – gouge the residents. For example, the assorted rags and small items that did not get scooped up by the end loader in the photograph on Page 4 *would not* be billed as a second bucket. The City does not have the equipment to weigh bulk and charge by weight.

The General Fund: The current plan is to use \$1.5 million from the General Fund reserve. Use of reserve funds represents a short-term solution.

One bucket of bulk



Two buckets of bulk



Three buckets of bulk



Four buckets of bulk



Five buckets of bulk



6 buckets of bulk

