



**DEPARTMENT OF
PUBLIC WORKS •
SANITATION DIVISION**

**PROPOSAL TO
ADJUST SERVICE
FEES**

Memorandum

TO: Members of the City of Bloomington Common Council

FROM: Adam Wason, Director of Public Works
Michael Large, Special Projects and Operations Manager
Rhea Carter, Sanitation Director

Date: May, 12, 2023

Re: City of Bloomington - Department of Public Works
Sanitation Division Ordinance 23-11 Updating Title 6 To Adjust
Service Fees

Background

The Board of Public Works was designated by Common Council through the approval of the revisions to Chapter 6.04 of the Bloomington Municipal Code (BMC), to determine the final rate structure for the modernized sanitation collection system in 2017. This rate structure was limited in the municipal code not to exceed a predetermined range per cart size set by the Common Council. The goals of the financial model were established to maintain an incentive for residents to be conscious of the volume of solid waste they are producing and to provide a stable revenue model that offered predictably for the Public Works Department - Sanitation Division operations.

Since the inception of the new modernized program, the cost of sanitation services continues to rise due to a multitude of factors such as: increased tonnages for both solid waste and recyclable materials; the ongoing volatility of the world recycling market leading to unforeseen

processing fees for single stream recycling; annual increased disposal costs for solid waste; as well as an increased costs across all categories including fuel, vehicle parts, and general supplies.

Rate Proposal

As discussed in the 2023 budget process, some council members stated that they were interested in considering a rate structure that reduces, and possibly eliminates the amount of general fund support to the annual operating budget of the Sanitation Division. While staff remains neutral on this aspect of the rate discussion, rates will need to be adjusted to cover the increased costs that have been experienced over the last several years. However, knowing that the Common Council would need an ordinance to consider with rates included, the rate structure with a proposed 50% percent reduction of general fund support serves as staff's recommendation as a starting point for discussion.

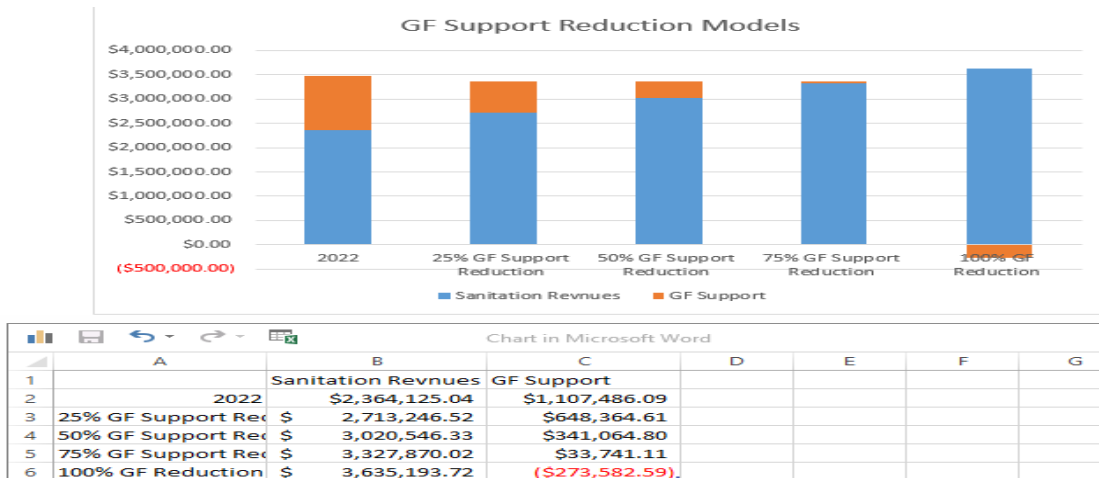
The below table outlines five rate models: first, a continuation of general fund support at current levels and adjusting rates due to increased costs; second, a twenty-five percent (25%) reduction of general fund support; third, a fifty percent (50%) reduction in general fund support; fourth, a seventy-five percent reduction of general fund support; and fifth, a one hundred percent (100%) reduction in general fund support. These models are shown in the following table:

	35 Gallon	% ↑	64 Gallon	% ↑	96 Gallon	% ↑
Current Rates	\$6.51		\$11.61		\$18.52	
No GF Support Reduction	\$8.15	25%	\$16.06	38%	\$28.79	55%
25% GF Support Reduction	\$9.23	42%	\$18.24	57%	\$32.48	75%
50% GF Support Reduction	\$10.31	58%	\$20.42	76%	\$36.19	95%
75% GF Support Reduction	\$11.39	75%	\$22.59	95%	\$39.90	115%
100% GF Support Reduction	\$12.47	92%	\$24.77	113%	\$43.61	135%

Regardless of what rate model is selected, staff requests a baseline rate per cart size that would go into effect as of 9/1/23 based on the above models. As proposed in the original 2017 Sanitation Modernization Rate Structure, staff is requesting the Council's approval of a rate model with a 20% rate range per cart size where the Board of Public Works would have the authority to establish rates within those ranges if increased costs continue in the future, and rate adjustments are required. These ranges are listed below based on the five models being presented.

No GF Support Reduction Ranges	
Thirty-five gallon solid waste cart fee range:	\$8.15 - \$9.78
Sixty-four gallon solid waste cart fee range:	\$16.06 - \$19.72
Ninety-six gallon solid waste cart fee range:	\$28.79 - \$34.55
25% GF Support Reduction Ranges	
Thirty-five gallon solid waste cart fee range:	\$9.23 - \$11.08
Sixty-four gallon solid waste cart fee range:	\$18.24 - \$21.89
Ninety-six gallon solid waste cart fee range:	\$32.48 - \$38.98
50% GF Support Reduction Ranges	
Thirty-five gallon solid waste cart fee range:	\$10.31 - \$12.37
Sixty-four gallon solid waste cart fee range:	\$20.42 - \$24.50
Ninety-six gallon solid waste cart fee range:	\$36.19 - \$43.43
75% GF Support Reduction Ranges	
Thirty-five gallon solid waste cart fee range:	\$11.39 - \$13.67
Sixty-four gallon solid waste cart fee range:	\$22.59 - \$27.11
Ninety-six gallon solid waste cart fee range:	\$39.90 - \$47.88
100% GF Support Reduction Ranges	
Thirty-five gallon solid waste cart fee range:	\$12.47 - \$14.96
Sixty-four gallon solid waste cart fee range:	\$24.77 - \$29.72
Ninety-six gallon solid waste cart fee range:	\$43.61 - \$52.33

Overall, this ordinance revision is seeking to raise rates and therefore revenues for the operations of the Sanitation Division. Below are the revenue projections for each model.



Other changes to the fee schedule for large items, and appliance collections are in the below table:

	Large Items	Appliances
Current Rate	\$10	\$10
Proposed	\$25	\$35

Additional Weekly Pickups	35 Gallon	64 Gallon	96 Gallon
Current	\$1.89	\$3.38	\$5.38
Proposed	\$3.78	\$6.76	\$10.76

In addition we ask that we are given the ability to charge the proposed additional pickup fee in situations where a collection is scheduled but not placed at the curbside to cover the costs associated with fuel, time, and labor of collection.