

# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. AM 628-2013

Meeting Date: November 5, 2013

**From: MAYOR**

**Subject: AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE  
SECTION 26.70.040 TO CHANGE THE SOLID WASTE SERVICES  
REFUSE COLLECTION CONTAINER SERVICE RATES.**

The Solid Waste Services (SWS) Refuse Collection Utility is requesting a rate change for all container services, generally used by commercial customers, in the defined SWS service area. The last rate increase for commercial dumpster service was received in 2008. Subsequent rate increases have been requested by the department but have been denied, and as a result of not receiving annual increases over the past years, Solid Waste Services revenues will fall below operating costs.

A recent study of SWS Refuse Collection Rates was done earlier this year by Mako Strategies, a consultant procured at the request of the Administration. Using the consultant's advice and in conjunction with the Municipality's Finance Department, SWS was encouraged to move forward with a commercial rate increase, while leaving the residential rates at their current standing.

The proposed commercial rate changes include a decrease from 1.55% to 3.82% in rates for Schedule 1 and Schedule 3 Service for 1 ¼, 2 and 3 cubic yard-loose refuse dumpsters. A rate increase will be incurred on all other commercial dumpster services ranging from .51% up to 347.17% for a 4 cubic-yard-compacted service which has been extremely undervalued.

The rate change is included as part of the 2014 Proposed Operating Budget and is necessary due to increases in operating expenses and funding for Refuse Collection Capital Improvements. Since 2008, the labor costs have increased by 20.3% and the consumer price index for the Anchorage area has risen 11.2%, this includes the increases to fuel, tires, and repair and maintenance. Increased rate revenue is the most prudent funding source for maintaining the Refuse Collections department's financial soundness, but it must be balanced with keeping rates and rate increases reasonable. The proposed rate change is still at or below our largest competitor, Alaska Waste.

### **THE ADMINISTRATION RECOMMENDS APPROVAL.**

Prepared by: Molly Eastman, Finance Manager, SWS  
Approved by: Paul F. Alcantar, Director, Solid Waste Services  
Concur: Lucinda Mahoney, CFO  
Concur: Dennis A. Wheeler, Municipal Attorney  
Concur: George J. Vakalis, Municipal Manager  
Respectfully submitted: Daniel A. Sullivan, Mayor