

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- Disposal Utility

AO Number: 2008-62

Title: *AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE CHAPTER 26.80 TO ADD A NEW SECTION FOR ADDING A SURCHARGE TO SUPPORT COMMUNITY RECYCLING INITIATIVES AND AMENDING SECTION 26.70.040 TO ADD THE SURCHARGE FEES.*

Sponsor: Mayor
 Preparing Agency: SWS
 Others Impacted: None

CHANGES IN REVENUES AND EXPENSES:		(In Thousands of Dollars)				
	FY08	FY09	FY10	FY11	FY12	
Operating Revenues:						
	\$ 1,280 1)	\$ 2,480 \$ (1,000) 2)	\$ 2,480 \$ (1,000)	\$ 2,480 \$ (1,000)	\$ 2,480 \$ (1,000)	
TOTAL OPERATING REVENUES	\$ 1,280	\$ 1,480	\$ 1,480	\$ 1,480	\$ 1,480	\$ 1,480
Operating Expenses:						
	\$ 1,443 3)	\$ 1,354 4)	\$ 1,354	\$ 1,354	\$ 1,354	
TOTAL OPERATING EXPENSES	\$ 1,443	\$ 1,354	\$ 1,354	\$ 1,354	\$ 1,354	\$ 1,354
Non-Operating Revenues:						
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL NON-OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Operating Expenses:						
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL NON-OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET INCOME (REGULATED)	\$ (163)	\$ 126	\$ 126	\$ 126	\$ 126	\$ 126
POSITIONS: FT/PT and Temp	0/2	0/2	0/2	0/2	0/2	0/2

PUBLIC SECTOR ECONOMIC EFFECTS:

1) Beginning July 1, 2008, Solid Waste Services (SWS) Disposal Revenue will increase due to a tipping fee increase for all customers using the landfill or transfer stations by \$8 per ton to offset costs anticipated by implementation of area-wide recycling initiatives. These fees will be collected on all revenue generating tons (currently 330,000 tons annually). Recycling initiatives will divert approximately 20,000 tons of waste annually starting in 2009.

2) Recycling initiatives will divert approximately 20,000 tons of waste annually and will result in an annual revenue loss of approximately \$1,000,000 at the current landfill tipping rate of \$50/ton, without corresponding reduction in operating costs.

3) SWS Disposal Expenses will increase \$1,417,000 annually due to: two additional recycling drop-off sites, school district recycling, public space recycling, compost facility clean-up, and public education; \$113,000 of Capital expense are excluded here. Expenses include additional Municipal Utility Service Assessment and revenue distributions associated with increased revenues.

4) Expenses in 2009 and subsequent years reflect a reduction in closure liability expense accrual and depreciation expenses associated with extending landfill life by reducing input tonnage.

SWS Collections Utility will be subject to this tipping fee increase which will increase operating costs. See attached SEE.

PRIVATE SECTOR ECONOMIC EFFECTS:

Customers, including commercial waste haulers, businesses and home owners using SWS transfer stations and disposal facilities will pay an additional \$8/ton of weighed garbage. Customers delivering waste to either the landfill or transfer stations will be assessed a surcharge of \$1 per vehicle.