

Referred indefinitely 5/6/08

Submitted by: Chair of Assembly at the
Request of the Mayor
Prepared by: Solid Waste Services
For reading: March 25, 2008

ANCHORAGE, ALASKA

AO No. 2008- 51

1 AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE
2 CHAPTER 26.80 TO ADD A NEW SECTION FOR ADDING A SURCHARGE TO
3 THE LANDFILL TIPPING FEES TO SUPPORT COMMUNITY RECYCLING
4 INITIATIVES.

5 6 THE ANCHORAGE ASSEMBLY ORDAINS:

7
8 **Section 1.** Anchorage Municipal Code chapter 26.80 is amended to add a new
9 section for adding a surcharge to the landfill tipping fees to support community
10 recycling initiatives as follows:

11 12 **26.80.056** **Surcharges to Support Community Recycling Initiatives**

- 13
14 A. The solid waste disposal utility shall implement community-wide
15 initiatives to support reduction, recycling, and reuse of waste
16 products which would otherwise be disposed of at the landfill.
17
18 B. The solid waste disposal utility shall collect a surcharge on all wastes
19 delivered to solid waste transfer or disposal facilities to finance the
20 implementation of these initiatives.
21
22 1. Each user delivering waste to a solid waste transfer or
23 disposal facility in quantities weighing less than 1,000 pounds,
24 and with a total volume of less than 5 cubic yards, shall be
25 assessed a surcharge to the existing disposal fee of \$1.00 per
26 visit.
27
28 2. At solid waste transfer or disposal facilities having working
29 scales, each user who delivers waste in quantities weighing
30 more than 1,000 pounds and having a total volume greater
31 than 5 cubic yards shall be assessed a surcharge to be added
32 to the existing tipping fee equal to \$8.00 per ton of waste
33 delivered.
34
35 3. At a solid waste transfer or disposal facility that does not have
36 operational scales, each user who meets the requirements of
37 subsection B.1 of this section shall pay a surcharge to the
38 existing tipping fee of \$1.60 per cubic yard of noncompacted

solid waste or \$3.20 per cubic yard of compacted waste as measured by the facility attendant.

- C. Fees collected through this surcharge shall be used by the solid waste disposal utility for pay for capital development costs, operating costs, consulting fees, management fees associated with recycling programs, as approved by the Director. Fees may also be used to offset lost revenues to the disposal utility incurred due to diversion of waste tonnages to recycling efforts.

Section 2. Implementation of this surcharge will result in increased operating costs to the Refuse Collection Utility due to the associated increase in disposal costs. Therefore, Anchorage Municipal Code section 26.70.040, Service requests, rates and billing, is amended to read as follows (*the remainder of the section is not affected and therefore not set out*):

26.70.040 **Service requests, rates and billing.**

*** *** ***

- C. *Rates, fees and charges.* Notwithstanding section 26.10.035, the following rates, fees and charges shall be assessed for municipal solid waste collection:

1. *Conventional can or bag service.*

a. *Basic monthly charge.*

This rate covers the weekly collection of a maximum of four collection units, each unit consisting of one conventional 32-gallon garbage can or approved bag. The customer shall place all refuse for collection at the curbside or alley, within three feet of the drivable roadway or alley.

TABLE INSET:

Type of Service	Monthly Rate
Single-family residential	<u>\$18.00</u> [16.35]
Multiple-family residential unit or mobile home or trailer court with more than one trailer or mobile home	<u>18.00</u> [16.35]/unit
Business establishments, each unit consisting of four cans or bags. For each additional unit add <u>\$18.00</u> [16.35]. For more than once weekly service, multiply units times number of days serviced	<u>18.00</u> [16.35]/unit

*** *** ***

2. *Container service.* The following rates apply to the collection of solid waste from containers having a capacity of from one to eight cubic yards that may be emptied mechanically by a refuse collection vehicle:

CONTAINER SCHEDULE - B

Schedule-1 - Containers with Loose Refuse With One Operator

Size	1 Time per Week	2 Times per Week	3 Times per Week	4 Times per Week	5 Times per Week	6 Times per Week	Twice Daily
1 1/4 cubic yards	<u>\$74.15</u> [\$70.27]	<u>\$148.10</u> \$140.40	<u>\$222.25</u> \$210.67	<u>\$296.45</u> \$281.00	<u>\$370.60</u> \$351.26	<u>\$444.70</u> \$421.53	<u>\$889.35</u> \$842.99]
2 cubic yards	<u>82.20</u> [77.94]	<u>163.55</u> 155.03	<u>246.80</u> 233.94	<u>329.10</u> 311.94	<u>411.40</u> 389.94	<u>493.70</u> 467.94	<u>987.35</u> 935.87]
3 cubic yards	<u>88.40</u> [83.79]	<u>176.90</u> 167.70	<u>265.40</u> 251.55	<u>353.90</u> 335.47	<u>442.40</u> 419.32	<u>530.90</u> 503.23	<u>1,061.90</u> 1,006.53]
4 cubic yards	<u>112.40</u> [106.54]	<u>224.90</u> 213.20	<u>337.40</u> 319.80	<u>449.90</u> 426.47	<u>562.30</u> 533.00	<u>674.90</u> 639.73	<u>1,349.90</u> 1,279.53]
6 cubic yards	<u>144.60</u> [137.09]	<u>287.90</u> 272.87	<u>431.80</u> 409.31	<u>575.70</u> 545.68	<u>719.70</u> 682.18	<u>863.65</u> 818.61	<u>1,727.35</u> 1,637.29]
8 cubic yards	<u>175.30</u> [166.14]	<u>350.70</u> 332.41	<u>525.90</u> 498.49	<u>701.20</u> 664.63	<u>876.50</u> 830.83	<u>1,051.90</u> 997.04	<u>2,103.75</u> 1,994.07]

Note: Containers 4, 6, and 8 cubic yards limited to household and light commercial wastes.

Schedule-2 - Containers with Compacted Refuse With One Operator

Size	1 Time per Week	2 Times per Week	3 Times per Week	4 Times per Week	5 Times per Week	6 Times per Week	Twice Daily
2 cubic yards	<u>\$84.10</u> [\$79.69]	<u>\$168.20</u> \$159.45	<u>\$252.30</u> \$239.14	<u>\$336.40</u> \$318.89	<u>\$420.50</u> \$398.58	<u>\$504.65</u> \$478.34	<u>\$1,009.30</u> \$956.67]
3 cubic yards	<u>111.70</u> [105.89]	<u>223.50</u> 211.84	<u>335.35</u> 317.85	<u>447.10</u> 423.80	<u>558.95</u> 529.82	<u>670.75</u> 635.77	<u>1,341.30</u> 1,271.40]
4 cubic yards	<u>143.05</u> [135.59]	<u>286.15</u> 271.25	<u>429.20</u> 406.84	<u>572.25</u> 542.43	<u>715.40</u> 678.08	<u>858.40</u> 813.67	<u>1,716.90</u> 1,627.41]

Schedule-3 - Containers with Loose Refuse and Two Person Crew

<i>Size</i>	<i>1 Time per Week</i>	<i>2 Times per Week</i>	<i>3 Times per Week</i>	<i>4 Times per Week</i>	<i>5 Times per Week</i>	<i>6 Times per Week</i>	<i>Twice Daily</i>
2 cubic yards	<u>\$167.70</u> [\$158.93]	<u>\$335.35</u> \$317.85	<u>\$503.05</u> \$476.84	<u>\$670.75</u> \$635.77	<u>\$838.40</u> \$794.69	<u>\$1,006.05</u> \$953.62	<u>\$2,012.25</u> \$1,907.36]
3 cubic yards	<u>218.60</u> [207.22]	<u>437.30</u> 414.51	<u>655.90</u> 621.73	<u>874.60</u> 829.01	<u>1,093.20</u> 1,036.23	<u>1,311.90</u> 1,243.52	<u>2,623.80</u> 2,487.03]
4 cubic yards	<u>270.80</u> [256.69]	<u>541.75</u> 513.50	<u>812.70</u> 770.32	<u>1,083.55</u> 1,027.07	<u>1,354.50</u> 1,283.88	<u>1,625.20</u> 1,540.50	<u>3,250.80</u> 3,081.33]
6 cubic yards	<u>431.05</u> [408.59]	<u>862.10</u> 817.18	<u>1,293.20</u> 1,225.77	<u>1,724.25</u> 1,634.36	<u>2,155.30</u> 2,042.95	<u>2,586.40</u> 2,451.54	<u>5,172.75</u> 4,903.08]

Schedule-4 - Containers with compacted Refuse and Two Person Crew

<i>Size</i>	<i>1 Time per Week</i>	<i>2 Times per Week</i>	<i>3 Times per Week</i>	<i>4 Times per Week</i>	<i>5 Times per Week</i>	<i>6 Times per Week</i>	<i>Twice Daily</i>
2 cubic yards	<u>\$181.45</u> [\$171.99]	<u>\$363.05</u> \$344.11	<u>\$544.55</u> \$516.17	<u>\$726.15</u> \$688.29	<u>\$907.65</u> \$860.34	<u>\$1,089.10</u> \$1,032.33	<u>\$2,178.35</u> \$2,064.79]
4 cubic yards	<u>299.95</u> [284.31]	<u>599.95</u> 568.69	<u>899.90</u> 853.00	<u>1,199.90</u> 1,137.37	<u>1,499.95</u> 1,421.75	<u>1,799.90</u> 1,706.06	<u>3,599.85</u> 3,412.18]
6 cubic yards	<u>474.50</u> [449.74]	<u>948.95</u> 899.47	<u>1,423.55</u> 1,349.34	<u>1,898.00</u> 1,799.07	<u>2,372.55</u> 2,248.87	<u>2,847.10</u> 2,698.67	<u>5,694.20</u> 5,397.34]

*** *** ***

Section 3. This ordinance shall be effective June 1, 2008.

PASSED AND APPROVED by the Anchorage Assembly this _____ day of
_____, 2008.

Chair

ATTEST:

Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- Disposal Utility

Page1

AO Number: 2008-51

Title: *An Ordinance Amending Anchorage Municipal Code Chapter 26.80 to Add a New Section for Adding a Surcharge to the Landfill Tipping Fees to Support Community Recycling Initiatives, Effective June 1, 2008*

Sponsor: Mayor

Preparing Agency: SWS

Others Impacted: None

CHANGES IN REVENUES AND EXPENSES:		(In Thousands of Dollars)				
	FY08	FY09	FY10	FY11	FY12	
Operating Revenues:						
	\$ 1,480	\$ 2,880	\$ 2,880	\$ 2,880	\$ 2,880	
TOTAL OPERATING REVENUES	\$ 1,480	\$ 2,880	\$ 2,880	\$ 2,880	\$ 2,880	
Operating Expenses:						
	\$ 1,558 1)	\$ 1,724 1)	\$ 1,724	\$ 1,724	\$ 1,724	
TOTAL OPERATING EXPENSES	\$ 1,558	\$ 1,724	\$ 1,724	\$ 1,724	\$ 1,724	
Non-Operating Revenues:						
	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL NON-OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	
Non-Operating Expenses:						
	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL NON-OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	
NET INCOME (REGULATED)	\$ (78)	\$ 1,156	\$ 1,156	\$ 1,156	\$ 1,156	
POSITIONS: FT/PT and Temp	0	0	0	0	0	

PUBLIC SECTOR ECONOMIC EFFECTS:

Beginning July 1, 2008, Solid Waste Services Disposal Revenue will increase due to \$8/ton increase in tipping fee for all customers, and Revenues from composted facility reopening. Compost facility is expected to reopen July 1, 2008, with \$120,000 in revenue, and 2009 revenues of \$240,000. Increased Disposal Utility Revenues will be somewhat offset by a reduction of tons disposed due to recycling programs.

1) Solid Waste Services Disposal Expenses of \$1,417,000 increase 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.

PRIVATE SECTOR ECONOMIC EFFECTS:

Beginning July 1, 2008, Solid Waste Services Disposal Revenue will increase due to \$8/ton increase in tipping fee for all customers, and Revenues from composted facility reopening. Compost facility is expected to reopen July 1, 2008, with \$120,000 in revenue, and 2009 revenues of \$240,000. Increased Disposal Utility Revenues will be somewhat offset by a reduction of tons disposed due to recycling programs.

1) Solid Waste Services Disposal Expenses of \$1,417,000 increase 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.

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- Utilities

Page1

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Title: *An Ordinance Amending Anchorage Municipal Code Chapter 26.80 to Add a New Section for Adding a Surcharge to the Landfill Tipping Fees to Support Community Recycling Initiatives, Effective June 1, 2008*

Sponsor: Mayor

Preparing Agency: SWS

Others Impacted: None

CHANGES IN REVENUES AND EXPENSES:		(In Thousands of Dollars)				
	FY08	FY09	FY10	FY11	FY12	
Operating Revenues:						
	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	
Operating Expenses:						
	\$ 163 1)	\$ 332 2)	\$ 332	\$ 332	\$ 332	
TOTAL OPERATING EXPENSES	\$ 163	\$ 332	\$ 332	\$ 332	\$ 332	
Non-Operating Revenues:						
	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL NON-OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	
Non-Operating Expenses:						
	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL NON-OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	
NET INCOME (REGULATED)	\$ (163)	\$ (332)	\$ (332)	\$ (332)	\$ (332)	
POSITIONS: FT/PT and Temp	1	1	1	1	1	

PUBLIC SECTOR ECONOMIC EFFECTS:

- 1) Increased expense of \$163,000 for Refuse Collection Due to higher tipping fee of \$8/ton beginning July 1, 2008.
- 2) Increased expense of \$332,000 for Refuse Collection Due to higher tipping fee of \$8/ton.

PRIVATE SECTOR ECONOMIC EFFECTS:

- 1) Increased expense of \$163,000 for Refuse Collection Due to higher tipping fee of \$8/ton beginning July 1, 2008.
- 2) Increased expense of \$332,000 for Refuse Collection Due to higher tipping fee of \$8/ton.



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM No. 210-2008

Meeting Date: March 25, 2008

From: Mayor

Subject: An Ordinance Amending Anchorage Municipal Code Chapter 26.80 to Add a New Section for Adding a Surcharge to the Landfill Tipping Fees to Support Community Recycling Initiatives

As part of a Comprehensive Integrated Waste Management initiative, the Municipality of Anchorage, through the Department of Community and Economic Development (DCED) and Solid Waste Services Department (SWS) intends to implement new programs in 2008 which will include:

- Providing additional facilities for drop off of recyclable materials within the community;
- Support for recycling in schools;
- Providing recycling bins in public venues; and
- Operation of a compost facility for recycling of organic wastes.

These programs are not anticipated to generate revenue, and will require capital to develop facilities and purchase of equipment, as well as to funds for operating expenses. Annual costs for programs to be developed in 2008, including annual operating costs as well as amortized capital costs are estimated to be:

Ongoing Programs	\$325,000
Additional drop-off sites	\$352,000
School district recycling	\$326,000
Public space recycling	\$75,000
Composting clean-up	\$205,000
Public outreach & education	\$247,000
Total Area-Wide Services	\$1,530,000

Additionally, implementation of these programs will reduce tonnage of refuse delivered to SWS for disposal, resulting in a reduction in revenue to the SWS Disposal Utility, without corresponding reduction to the utility's operating expenses. This surcharge will provide additional revenues to ensure the Disposal Utility has adequate operating revenues.

To generate revenues to cover the costs to implement these new programs and to mitigate lost revenues to the refuse disposal utility, the Administration proposes adding a surcharge to all tipping fees collected at SWS-operated solid waste transfer and disposal facilities. Section 1 of this ordinance will establish a recycling surcharge of \$8.00 per ton to the current solid waste disposal tipping fee to fund these programs.

With the addition of the surcharge to the current tipping fee, operating costs incurred by the SWS Refuse Collection Utility will also increase. The Refuse Collection Utility must pay the Disposal Utility at the same rate as all other users of the disposal facilities. Section 2 of the proposed ordinance will allow the Refuse Collection Utility to recover costs from the utility's customers associated with the increase in tipping fees by adjusting refuse collection rates for residential and commercial customers. Rates for conventional can/bag service will increase by \$1.65 per month. Collection rates for customers using commercial dumpster service will rise an

1 average of 5.5% per month. The actual increase in cost for commercial customers will be
2 dependent on the size of container and frequency of collection.
3

4 Recommended by: Mark G. Madden, Director, Solid Waste Services

5 Concur: Wanda J. Phillips, Director, OMB

6 Concur: Sharon Weddleton, CFO

7 Concur: James N. Reeves, Municipal Attorney

8 Concur: Michael Abbott, Municipal Manager

9 Respectfully submitted: Mark Begich, Mayor
10