Submitted by: Mayor Mark Begich

Assembly Member Ossiander Assembly Member Johnston Assembly Member Claman Assembly Member Selkregg

CLERK'S OFFICE APPROVED Prepared by:

Solid Waste Services

For reading:

June 10, 2008

Date: 6-10-03 AM 405-2008 WAS AMENDED AND APPROVED 6-10-08

ANCHORAGE, ALASKA

AO No. 2008-62(S)

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

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THE ANCHORAGE ASSEMBLY ORDAINS:

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<u>Section 1.</u> Anchorage Municipal Code chapter 26.80 is amended to add a new section for a surcharge to solid waste disposal fees to support community recycling initiatives as follows (the remainder of the chapter is not affected and therefore not set out):

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26.80.060 Surcharges to support community recycling initiatives.

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A. The solid waste disposal utility shall implement community-wide initiatives to support reduction, recycling, and reuse of waste products [that is] otherwise disposed of at the landfill.

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B. The solid waste disposal utility shall collect a surcharge on all wastes delivered to solid waste transfer or disposal facilities to finance the implementation of these initiatives.

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1. Each user delivering waste on or after April 1, 2009 to a solid waste transfer or disposal facility in quantities weighing less than 1,000 pounds, and with a total volume of less than 5 cubic yards, shall be assessed a surcharge to the existing disposal fee of \$1.00 per visit.

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2. At solid waste transfer or disposal facilities with working scales, each user delivering waste in quantities weighing more than 1,000 pounds or with a total volume greater than 5 cubic yards shall be assessed a surcharge, added to the existing tipping fee, of \$3.00 [8.00] per ton of waste delivered.

- 3. At a solid waste transfer or disposal facility with no operational scales, each user meeting the requirements of subsection B.1. shall pay a surcharge to the existing tipping fee of:
 - a. \$0.90 [1.60] per cubic yard of non-compacted solid waste, as measured by the facility attendant; or
 - b. \$1.50 [3.20] per cubic yard of compacted waste as measured by the facility attendant.
- 4. Wastes delivered by a commercial enterprise, collected from established single family and multiple family residential can and bag collection routes, shall be exempt from this surcharge.
- C. Fees collected through the surcharge in this chapter shall be used by the solid waste disposal utility for capital development costs, operating costs, consulting fees, and 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.

<u>Section 2.</u> Due to increased operating costs to the Refuse Collection Utility as the result of implementation of this surcharge, 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	\$16.35 [18.00]
Multiple-family residential unit or mobile home or trailer court with more than one trailer or mobile home	16.35 [18.00]/unit
Business establishments, each unit consisting of four cans or bags. For each additional unit add \$16.35 [18.00]. For more than once weekly service, multiply units times number of days serviced	16.35 [<u>18.00</u>]/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.

	1	Time	2 Times	3 Times	4 Times	5 Times	6 Times	Twice
Size	per	r Week	per Week	Daily				
1 1/4 cubic yards	\$	71.90	<u>\$143.60</u>	<u>\$215.45</u>	<u>\$287.35</u>	<u>\$359.20</u>	<u>\$431.10</u>	\$862.05
	\$	74.15	\$148.10	\$222,25	\$296.45	\$370.60	\$444.70	\$88 9,3 !
	[\$	70.27	\$140.40	\$210.67	\$281.00	\$351.26	\$421.53	\$842.9
2 cubic yards	\$	79.70	<u>\$158.55</u>	<u>\$239.25</u>	<u>\$319.00</u>	<u>\$398.75</u>	<u>\$478.55</u>	\$957.0
	•	82,20	\$163,55	\$246.80	\$329.10	\$411.40	\$493.70	\$987. 3
	1	77.94	155.03	233.94	311.94	389.94	467.94	935.8
3 cubic yards	<u> </u>	<u>85.70</u>	<u>171.50</u>	<u>257.25</u>	<u>343.05</u>	<u>428.80</u>	<u>514.60</u>	1,029.3
		88,40	176.90	265.40	353.90	442.40	530.90	1,061.
	Į.	83.79	167.7	251.55	335.47	419.32	503.23	1,006.
4 cubic yards	<u>1</u>	.08.95	218.05	<u>327.05</u>	<u>436.15</u>	<u>545.05</u>	<u>654.20</u>	1,308.4
	4	112.40	224.90	337.40	449.90	562,30	674.90	1,349.
	[:	106.54	213.2	319.8	426.47	533	639.73	1,279.
6 cubic yards	1	40.20	<u>279.05</u>	<u>418.60</u>	<u>558.05</u>	<u>697.60</u>	<u>837.15</u>	<u>1,674,3</u>
	4	144.60	287.90	431.80	575.70	719.70	8 63.65	1,727 .
	[:	137.09	272.87	409.31	545.68	682.18	818.61	1,637.
								2,039.1

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	2 Times	3 Times	4 Times	5 Times	6 Times	Twice
	per Week	per Week	per Week	per Week	per Week	per Week	Daily
2 cubic yards	<u>\$81.50</u>	\$163.05	\$244.55	\$326.10	\$407.60	<u>\$489.15</u>	\$978.30
	84.10	168.20	252.30	336.40	420.50	504.65	1,009.30
	[\$79.69	\$159.45	\$239.14	\$318.89	\$398.58	\$478.34	\$956.67]
3 cubic yards	<u>\$108.30</u>	<u>\$216.65</u>	\$325.05	\$433.40	<u>\$541.80</u>	\$650.15	\$1,300.15
	111.70	223.50	335.35	447.10	558.95	670.75	1,341.30
	[105.89	211.84	317.85	423.8	529.82	635.77	1,271.40]
4 cubic yards	\$138.65	\$277.40	\$416.05	\$554.70	\$693.40	<u>\$832.10</u>	\$1,664.20
	143.05	286.15	429.20	572.25	715.40	858.40	1,716.90
	[135.59	271.25	406.84	542.43	678.08	813.67	1,627.41]

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

Size	1 Time	2 Times	3 Times	4 Times	5 Times	6 Times	Twice
	per Week	per Week	per Week	per Week	per Week	per Week	Dally
2 cubic yards	\$162.55	\$325.05	<u>\$487.65</u>	\$650.15	\$812.65	\$975.20	\$1,950.50
	167.79	335.35	503.05	670.75	838.40	1,006.05	2,012.25
	[\$158.93	\$317.85	\$476.84	\$635.77	\$794.69	\$953.62	\$1,907.36]
3 cubic yards	211.90	<u>423.90</u>	635.80	847.75	<u>1,059.65</u>	1,271.65	2,543.25
	218.60	437.30	655.90	874.60	1,093.20	1,311.90	2,623.80
	[207.22	414.51	621.73	829.01	1,036.23	1,243.52	2,487.03]
4 cubic yards	262,50	<u>525.15</u>	787.75	1,050.30	1,312.90	1,575.35	3,151.00
	270,80	541.75	812.70	1,083.55	1,354.50	1,625.20	3,250.80
	[256.69	513.50	770.32	1,027.07	1,283.88	1,540.50	3,081.33
6 cubic yards	417.85	835.65	1,253.50	1,671.30	2,089.15	2,506.95	5,013.90
	431.05	862.10	1,293,20	1,724.25	2,155.30	2,586,40	5,172.75
	[408.59	817.18	1,225.77	1,634.36	2,042.95	2,451.54	4,903.08]

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

	1 Time	2 Times	3 Times	4 Times	5 Times	6 Times	Twice	
Size	per Week	per Week	per Week	per Week	per Week	per Week	Daily	
2 cubic yards	\$175.90	\$3 <u>51.90</u>	\$527.8 <u>5</u>	<u>\$703.85</u>	<u>\$879.80</u>	\$1,055.70	\$2,111.45	
	181.45	363.05	544.55	726.15	907.65	1089,10	21.78.35	
	[\$171.99	\$344.11	\$516.17	\$688.29	\$860.34	\$1,032.33	\$2,064.79]
4 cubic yards	<u> 290.75</u>	<u>581.55</u>	<u>872,30</u>	<u>1,163.10</u>	<u>1,453.90</u>	1,744.65	<u>3,489.30</u>	
•	299.9 5	599.95	8 99.90	1,199,90	1,499.95	1,799.90	3,599.85	
	[284.31	568.69	853.00	1,137.37	1,421.75	1,706.06	3,412.18]
6 cubic yards	<u>459.90</u>	<u>919.80</u>	<u>1,379.85</u>	<u>1,839.75</u>	<u>2,299.70</u>	<u>2,759.70</u>	<u>5,519.35</u>	
•	474.50	948.95	1,423.55	1,898.00	2,372.55	2,847.10	5,694.20	
	[449.74	899.47	1,349.34	1,799.07	2,248.87	2,698.67	5,397.34]

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(CAC 11.12.030; AO No. 77-349; AO No. 78-119; AO No. 81-80; AO No. 82-225; AO No. 83-221; AO No. 85-202, 1-1-86; AO No. 86-203, 1-9-87; AO No. 88-170, 1-1-89; AO No. 89-51(S-3); AO No. 90-72; AO No. 2000-79, § 1, 5-16-00; AO No. 2004-80, § 1, 7-1-04; AO No. 2005-13, § 1, 2-15-05)

MUNICIPALITY OF ANCHORAGE Summary of Economic Effects -- Collections Utility

AO Number: 2008-62(S)

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

Sponsor: Preparing Agency: Others Impacted: Mayor

SWS None TO ADD THE SURCHARGE FEES.

CHANGES IN REVENUES AND EXPENSES:							Thousan				
	F	Y08	-		FY09	F	Y10	FY11		FY12	
Operating Revenues:											
	\$	60	1)	\$	133	\$	133	\$	133	\$	133
TOTAL OPERATING REVENUES	\$	60		\$	133	\$	133	\$	133	\$	133
Operating Expenses:											
	\$	54	2)	\$	106	\$	106	\$	106	\$	106
TOTAL OPERATING EXPENSES	\$	54		\$	106	\$	106	\$	106	\$	106
Non-Operating Revenues:	,										
	\$	-		\$	-	\$	-	\$	-	\$	_
TOTAL NON-OPERATING REVENUES	\$	-		\$	-	\$	-	\$	-	\$	-
Non-Operating Expenses:					•	·					
	\$	-		\$	-	\$	-	\$	-	\$	-
TOTAL NON-OPERATING EXPENSES	\$	-		\$	-	\$	-	\$	-	\$	-
NET INCOME (REGULATED)	\$	6		\$	27	\$	27	\$	27	\$	27
POSITIONS: FT/PT and Temp	0	/0			0/0	(0/0	(0/0	(0/0

PUBLIC SECTOR ECONOMIC EFFECTS:

- 1)Additional revenues reflect an increase in commercial dumpster rates increase by 2.0% for SWS Commercial Customers. The Utility collects approximately 41,500 total tons annually, with 28,000 commercial tons collected.
- 2) Operating expenses reflect a \$3/ton tipping fee increase on all commercial solid waste paid to SWS Disposal Utility, effective August 1, 2008.

PRIVATE SECTOR ECONOMIC EFFECTS:

- 1) Collection rates are adjusted by this ordinance to generate additional revenue to offset tipping fee increases by Solid Waste Disposal Utility. SWS commercial collections dumpster rates increase by 2.26%. Rates for private commercial waste haulers are anticipated to rise similarly.
- 2) Rate increases will take effect August 1, 2008.

Prepared by:	Candace Beery, Finance Manager	Telephone: 343-6287
	<u> </u>	

MUNICIPALITY OF ANCHORAGE Summary of Economic Effects -- Disposal Utility

AO Number: 2008-62(S)

Preparing Agency:

Others Impacted:

Title: AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE CHAPTER 26.80

Sponsor:

Mayor

SWS None 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.

CHANGES IN REVENUES AND EXPENSES:							(In Thousands of Dollars)					
		FY08		FY09			FY10		-Y11		FY12	
Operating Revenues:	\$	337	1) \$	99	0	\$	990	\$	990	\$	990	
TOTAL OPERATING REVENUES	\$	337	\$	99	0	\$	990	\$	990	\$	990	
Operating Expenses:												
	\$	998	2) \$	88	9 3)	\$	889	\$	889	\$	889	
TOTAL OPERATING EXPENSES	\$	998	\$	88	9	\$	889	\$	889	\$	889	
Non-Operating Revenues:									•			
	\$	-	\$		-	\$	-	\$	-	\$	-	
TOTAL NON-OPERATING REVENUES	\$	-	\$		-	\$	•	\$	-	\$	•	
Non-Operating Expenses:												
	\$	-	\$		-	\$	-	\$	-	\$	-	
TOTAL NON-OPERATING EXPENSES	\$	<u>.</u>	\$		-	\$		\$	-	\$	_	
NET INCOME (REGULATED)	\$	(661)	\$	10		\$	101	\$	101	\$	101	
POSITIONS: FT/PT and Temp		1/0		1/0			1/0		1/0		1/0	

PUBLIC SECTOR ECONOMIC EFFECTS:

- 1) Beginning August 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 \$3 per ton to offset costs anticipated by implementation of areawide recycling initiatives. Refuse collected from commercially hauled residential refuse is excluded from this surcharge. These fees will be collected on all other revenue generating tons (approximately 260,000 tons annually).
- 2) SWS Disposal Expenses will increase \$901,000 annually due to; additional recycling drop-off sites, school district recycling, public space recycling, and public education. Expenses include additional MUSA and revenue distributions associated with increased revenues.
- 3) Expenses in 2009 and subsequent years reflect a reductions 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 the SWS Collection Utility Summary of Economic Effects.

PRIVATE SECTOR ECONOMIC EFFECTS:

Customers, including commercial waste haulers, businesses and home owners using SWS transfer stations and disposal facilities will pay an additional \$3/ton for weighed garbage. Customers delivering small quantities of waste to either the landfill or transfer stations by car or pickup truck will be assessed a surcharge of \$1 per vehicle.

Prepared by:	Candace Beery, Finance Manager	Telephone: 343-6287



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM No. 405-2008

Meeting Date: June 10, 2008

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From:

MAYOR

Subject: 8 9

AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE CHAPTER 26.80 TO ADD A NEW SECTION ADDING A SURCHARGE TO SUPPORT COMMUNITY RECYCLING INITIATIVES AND AMENDING

SECTION 26.70.040 TO ADD THE SURCHARGE FEES.

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As part of a Comprehensive Integrated Waste Management initiative, the Municipality of Anchorage, through Economic & Community Development (ECD) and Solid Waste Services (SWS), intends to implement new programs in 2008 and beyond including:

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- An upgraded facility for drop-off of recyclable materials in Eagle River;
- Additional drop-off facilities in the community to be determined on an as-needed basis (but no sooner than 2009);
- Support for recycling in schools;
- Recycling bins in public venues;
- Exploration of potential sites for composting; and
- · Support for ongoing programs including grants for recycling partners and waste reduction activities throughout Municipal government.

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Further detail regarding program prioritization is provided below.

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These programs are not anticipated to generate revenue, and require capital to develop facilities and purchase equipment, as well as funds for operating expenses. The intent of the ordinance is to identify a funding stream for recycling programs, applied to a list of priorities described in this memorandum. The program requires a measure of flexibility, so that as progress is made towards initial priorities, the budget can then be applied to other community needs within the boundaries of recycling services and waste reduction.

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For example, school district recycling requires a higher initial start-up cost, but will require fewer resources after year one, allowing the program budget to shift resources to other priorities.

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Similarly, public space recycling efforts will be applied to building a sponsorship program that anticipates private sector support for bins and ongoing operational costs in those buildings.

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To generate revenues to implement these programs, the Administration will add a surcharge to commercial waste tipping fees collected at SWS-operated solid waste transfer and disposal facilities. Section 1 of the ordinance establishes a recycling surcharge of \$3.00 per ton to the current solid waste disposal tipping fee for commercial wastes, effective August 1, to fund these programs.

Tipping fees are currently collected on approximately 270,000 tons of commercial waste annually, creating a budget of approximately \$810,000 for recycling programs.

on an annual basis based on ASD program needs.

These recycling initiatives will be implemented on a priority basis:

 1.

 Support for Anchorage School District recycling programs. Funds to the Anchorage School District are for year 1 for start-up costs and ongoing program costs. A reduced amount is expected for ongoing annual costs due to one time capital investments during start-up. Funds will be awarded

future years if needed.

With regard to ASD recycling, it is the intent of the Assembly that funds will be provided to recycling clubs and other volunteer organizations in the schools to assist the group in each school with their volunteer recycling efforts. Specifically, the Assembly recommends that grant money should be available through the grant and waste reduction program for the volunteer ASD recycling organizations, up to \$1,000 in each of the 8 major high schools and a proportional amount to the elementary schools, junior high schools, and alternative schools based on population. Alternatively, these grants may be provided from the funds provided to ASD.

An Eagle River facility shall be opened as a full service facility as soon as

practicable in 2008. An additional facility in Anchorage may be opened in

- Ongoing recycling programs initiated under the municipal Recycling and Waste Reduction Program.
- 4. Municipal staff will work with non-profits and commercially viable businesses to identify municipal land that could be used as compost and woodlot sites as appropriate to identify municipal land that could be used as compost and woodlot sites run by non-profits and commercially viable businesses as appropriate.
- 5. Public Space recycling in visible, high use buildings and other public areas, partially supported by an "adopt-a-facility" business sponsorship program similar to the public advertising on MOA buses.
- 6. Municipal policies toward zero-waste will be supported by the municipal Director of Sustainability through dissemination of zero-waste information to municipal departments and identification of operational efficiencies throughout Municipal government.
- 7. Public education and outreach to support these initiatives to ensure program success.

Year 1 costs of these initiatives are projected to be:

Total:	\$810,000
Public space recycling:	\$ 50,000
School district recycling:	\$151,000
Drop-off recycling facilities:	\$ 59,000
Grant and waste reduction programs:	\$550,000

1 The ordinance sets forth a sunset date of four years from the effective date.

With the addition of the surcharge to the current tipping fee, operating costs incurred by the SWS Refuse Collection Utility also increases. The Refuse Collection Utility pays the Disposal Utility at the same rate as all other users of the disposal facilities. Section 2 of the ordinance allows 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. Collection rates for customers using commercial dumpster service rises an average of 2.26% per month. The actual increase in cost for commercial customers is dependent on the size of container and frequency of collection.

The Administration will introduce an appropriation ordinance to expend the revenues generated by AO 2008-62 (S). The appropriation will limit the expenditure of these revenues to recycling programs as described in this memorandum.

Additionally, the Administration will soon introduce a companion ordinance that eliminates the commercial class of waste for the purposes of assessing a tipping fee as of April 1, 2009, bringing commercial and residential classes to fee parity at that time.

THE ADMINISTRATION RECOMMENDS APPROVAL OF AO 2008-62(S), AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE CHAPTER 26.80 TO ADD A NEW SECTION ADDING A SURCHARGE TO SUPPORT COMMUNITY RECYCLING INITIATIVES AND AMENDING SECTION 26.70.040 TO ADD THE SURCHARGE FEES.

Prepared by: Solid Waste Services

Approved by: Mark G. Madden, SWS Director

Concur: Sharon Weddleton, CFO

30 Concur: James N. Reeves, Municipal Attorney
31 Concur: Michael K. Abbott, Municipal Manager

Respectfully submitted: Mark Begich, Mayor