

Environmental & Franchise Utilities Committee Meeting Minutes, 1/20/11

Present: Michael Halley, Daryn Hamilton, Jeff Clawson, Leon Connelly

Points of discussion

City Administrator Clawson passed out a memo reiterating an issue he had raised at the 10/1/10 E&FU committee meeting: an approx. \$130,000 deficit in the city's Garbage Fund due to the city not increasing rates to cover the cost paid to Waste Management the recycling and trash pick-up services (see below for details). The cost of the recycling drop off center contract (that allows city residents to deliver recycling/electronics to WM's facility six days of week) has added significantly to the \$130K deficit. This situation is clearly not financial sustainable, and in order to stop the net loss to the city each month the recycling and trash rates will need to be raised.

	Cost to City	Charge to FF residential customer	Net Loss
Recycling:	\$3.65	\$2.80	-\$.85
Trash:	\$7.73	\$7.19	-\$.54

Hamilton raised the point that the costs of using the recycling center should be shared between residential and commercial users. Historically, commercial accounts in the city have never been charged for recycling since they don't receive pick-up service. With the new single-stream recycling system residential users have less need to take their materials to WM's recycling center, and businesses have equal access to the center and should therefore help pay for the service.

Halley recommended instating the first of a two-tier rate increase right away, just to cover the costs so the city isn't losing money each month. The new monthly residential recycling rate will be **\$3.80** and the trash fee **\$7.75**, and commercial accounts will be charged **\$3.00/mo** for use of the recycling center. In the coming months Clawson will ascertain if a second increase is necessary to pay down the \$130K debt to the city's Garbage Fund.

Recommendations/Actions

- Committee asked administrator Clawson to write up an ordinance to change the residential and commercial recycling and trash rates to be voted on at the next council meeting.

Signature of Chairperson_____