


City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 23, 2010

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: RESOLUTION TO ESTABLISH THE ANNUAL FEE FOR THE CITY'S COLLECTION AND DISPOSAL OF SOLID WASTE, YARD DEBRIS AND RECYCLABLE MATERIALS

ISSUE: Determine the residential refuse collection fee rate.

RECOMMENDATION: Staff recommends that the City Council adopt the attached resolution as part of the adoption of the FY 2011 budget.

DISCUSSION: The residential refuse fee was recommended in the City Manager's Proposed FY 2011 Operating Budget to decrease by \$4, from \$331 per household per year to \$327 per household per year due to significant reduction in waste tonnage being collected and delivered to the energy-from-waste facility.

As part of the budget process, two service enhancements options for improving residential curbside recycling were proposed.

Option 1:

*Residential Refuse Collection Fee Option (All Households) Fee Increase = \$9 per Household
(from \$327 to \$336)*

Each household receiving curbside recycling service from the City would be given a choice between new 25 gallon, 35 gallon, or 65 gallon rolling recycling bins. The bins currently utilized have a capacity of 18 gallons. Each size bin would be covered and contain a built-in radio frequency identification (RFID) tag. The covered bins would reduce litter. The RFID tags would allow T&ES to assign bins to specific households to minimize damage and theft and assemble geographic participation data for targeted outreach purposes. It is expected that distributing larger bins to all households would measurably improve the City's recycling rate, which is currently below its established target. This option would increase the proposed \$327 fee by \$9 to \$336 for a net increase of \$5 over the current rate. The fee would be paid by all households

subject to the residential refuse fee. Public housing units and homeowners eligible for tax relief would continue not to be charged this fee.

Option 2:

*Opt-in Option (Participating Households Only) Cost to Households = \$35 to \$45 per Container
+ Service Charge*

Each household would be given the choice between continuing to use the current 18 gallon bins at no added cost or purchasing larger bins from the City. The bins would be covered to reduce litter but would not contain RFID tags. The direct cost for the bins would be \$35 for 35 gallon bins and \$45 for 65 gallon bins (the price for 25 gallon containers was not available at the time of publication). There would be some additional City operating expenses associated with continuing to service the original 18 gallon bins, providing bins to public housing and tax relief properties, and potentially for maintaining bins if the City were to accept that responsibility. Those additional operating costs could be recovered through a service charge added to the cost per bin. Only households electing to receive a new bin would be charged the direct cost and the service charge. This option's impact on the City's recycling rate would likely be less due to its self-selecting nature.

FISCAL IMPACT: A \$327 fee will generate approximately \$5,640,728 which was included in the FY 2011 proposed base budget. If Council approves Option 1 of the residential curbside recycling service enhancements and adds \$9 to the fee, an additional \$83,365 of additional revenue would be generated in FY 2011 for a total budgeted amount of \$5,727,093.

ATTACHMENT: Proposed Resolution

STAFF:

Bruce Johnson, Chief Financial Officer
Richard J. Baier, P.E., LEED, AP Director, T&ES
Morgan Routt, Assistant Director, OMB
Antonio Baxter, Division Chief of Administration, T&ES

RESOLUTION NO. _____

WHEREAS, under Section 2.07 of the City Charter, City Council has the authority to establish fees to be charged for services provided by the City; and

WHEREAS, under City Code Section 5-1-34(a), City Council is required from time to time, to set by resolution the annual fee that is to be paid by the owners of "required user property," as defined in Section 5-1-2 (12b) of the City Code, for the City's collection and disposal of solid waste, ashes and yard debris from their properties during the fiscal year; and

WHEREAS, in Resolution No. 2330, adopted April 27, 2009, City Council set the annual fee for such collection and disposal services at \$331.00; and

WHEREAS, City Council has now determined that it is necessary and desirable to decrease the annual fee for such collection and disposal services to \$327;

**NOW, THEREFORE, BE IT RESOLVED
BY THE CITY COUNCIL OF ALEXANDRIA**

1. That, beginning in fiscal year 2011, the annual charge for the collection and disposal of solid waste, ashes and yard debris from required user properties shall be \$327 per household, with each single-family, two-family and row dwelling in the City, and each separate dwelling unit in a building or structure in the City that contains four or fewer dwelling units, constituting a "household."
2. That the annual fee established in Section 1 above shall apply to collection and disposal services provided by the City during fiscal year 2011 and, unless and until revised by the City Council, to such services provided during subsequent fiscal years.
3. That Resolution No. 2330 is hereby repealed
4. That this resolution shall be effective on the date and at the time of adoption.

ADOPTED: May 3, 2010

WILLIAM D. EUILLE MAYOR

ATTEST:

Jackie M. Henderson, CMC City Clerk

RESOLUTION NO. 2395

WHEREAS, under Section 2.07 of the City Charter, City Council has the authority to establish fees to be charged for services provided by the City; and

WHEREAS, under City Code Section 5-1-34(a), City Council is required from time to time, to set by resolution the annual fee that is to be paid by the owners of "required user property," as defined in Section 5-1-2 (12b) of the City Code, for the City's collection and disposal of solid waste, ashes and yard debris from their properties during the fiscal year; and

WHEREAS, in Resolution No. 2330, adopted April 27, 2009, City Council set the annual fee for such collection and disposal services at \$331.00; and

WHEREAS, City Council has now determined that it is necessary and desirable to decrease the annual fee for such collection and disposal services to \$327;

**NOW, THEREFORE, BE IT RESOLVED
BY THE CITY COUNCIL OF ALEXANDRIA**

1. That, beginning in fiscal year 2011, the annual charge for the collection and disposal of solid waste, ashes and yard debris from required user properties shall be \$336 per household, with each single-family, two-family and row dwelling in the City, and each separate dwelling unit in a building or structure in the City that contains four or fewer dwelling units, constituting a "household."

2. That the annual fee established in Section 1 above shall apply to collection and disposal services provided by the City during fiscal year 2011 and, unless and until revised by the City Council, to such services provided during subsequent fiscal years.

3. That Resolution No. 2330 is hereby repealed

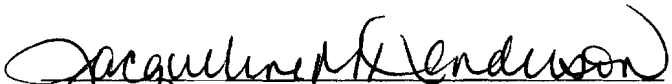
4. That this resolution shall be effective on the date and at the time of adoption.

ADOPTED: May 3, 2010



WILLIAM D. EULLE MAYOR

ATTEST:


Jacqueline M. Henderson, MMC City Clerk

2,3,4,5
5-3-10

Docket Item #2

Motion to Adopt the Annual Operating Budget for FY 2011 (including Schools) and the Capital Improvements Program for FY 2011 – 2020

Mr. Mayor, I move the adoption of the annual general fund operating budget for FY 2011 of \$531,611,539 with the following amendments to the City Manager's Proposed Budget. The details of each amendment are described in the April 30, 2010, memo from the City Manager "FY 2011 Budget Adoption – Draft of Tentative Actions for Monday Night" accompanying docket item #2:

Technical expenditure decreases (net of increases) of \$4,554,481

Other expenditure increases (net of decreases) of \$2,038,021

Revenue Re-estimate decreases (net of increases) of \$4,546,480 and

Tax and fee rate and new revenue increases of \$2,030,020.

The total increase in expenditures compared to the City Manager's Proposed Budget is \$2,516,460, including an increase in cash capital funding of the FY 2011 – 2020 Capital Improvement Program of \$295,000 and an increase in Contingent Reserves of \$1,600,000.

In addition, I move that we authorize the City Manager to make technical adjustments to each affected Departmental Budget from the Non-Departmental Budget to reflect the proper allocation to departmental budgets of the adjustments related to items such as health insurance premiums, travel and education, fuel, postage and consulting services, details of these adjustments will be presented for approval by City Council in the context of the FY 2011 Appropriations Ordinance in the June.

**Motion to Assign Special Projects to the
Budget and Fiscal Affairs Advisory Committee (BFAAC) in FY 2011**

Mr. Mayor, I move that the City Council assign the Budget and Fiscal Affairs Advisory Committee (BFAAC) the following special projects in the 2011 Fiscal Year:

1. BFAAC should work with City staff to develop adequate metrics to evaluate the total financial burden from all taxes, fees, fines and charges on the average resident in the City of Alexandria.
2. BFAAC should work with City staff to propose an amendment to the City's debt-related financial guidelines that includes a policy, similar to other guidelines, on the use of Cash Capital from current revenues, prior year surpluses, and other sources to fund the Capital Improvement Program.
3. BFAAC should work with City staff to examine the use and funding of City contracts and consultant services and the provision of funding for employee travel and education expenses.

Motion to Express the Intent and Understanding of City Council that the School Board Will Set-Aside a Portion of the Schools Operating Budget Transfer for Future Virginia Retirement System Costs

It is the intent and understanding of the City Council in adopting the FY 2011 General Fund Operating Budget:

1. That the Schools realized \$2.0 million in savings in FY 2010 from the waiver of their 4th quarter Virginia Retirement System (VRS) payment provided by General Assembly action;
2. That the Schools need \$4.9 million less in FY 2011 than requested in the School Board approved budget and provided by the adopted budget due to the lower than budgeted VRS rate.
3. That these artificially low rates of payment being required in FY 2010 and FY 2011 will lead to large future cost increases for the Schools as the VRS rates increase to make up for years of underfunding;
4. That the Schools Staff and School Board are to be commended for considering a responsible way to use these funds to minimize future increases in the Schools budget for the cost of VRS benefits;
5. That it is Council's intent in including \$4.9 million in the operating transfer to the Schools, that those funds are for purposes of minimizing increases in the Schools' budget for the future cost of VRS benefits;
6. That it is the understanding of City Council that the School Board will include in its motion adopting a FY 2011 operating budget language setting aside \$4.9 million in funds for future VRS payments in accord with the April 12th and April 28th memoranda from Schools Staff suggesting this course of action.
7. That the Schools will face costs in implementing a Federally required transformation plan to address the designation of T.C. Williams as an persistently lowest-achieving school;
8. That the Schools Staff believes that \$2.0 million in the Schools' fund balance available from the FY 2010 VRS 4th quarter payment waiver may need to be used in funding the costs of a transformation plan for secondary schools in a plan addressing the designation of T.C. Williams as a persistently lowest-achieving (PLA) school;
9. That to the extent this \$2.0 million is not needed for this transformation plan for secondary schools, such funds shall also be set-aside for future VRS rate increases; and
10. That nothing in this addendum shall be construed as imposing a legal obligation on the Schools to spend these funds in any particular manner.

Motion to Increase the Sanitary Sewer Fee from \$1.00 to \$1.25

I move that City Council authorize the increase of the Sanitary Sewer Fee from \$1.00 to \$1.25 as proposed in the City Manager’s Operating and Capital Improvement Program Budgets. The revenues generated from the Sanitary Sewer Fee are segregated in a Special Revenue Fund and are used to support both operating and capital expenses related to the Sanitary Sewer system. *This change will be reflected in a subsequent ordinance to be introduced in May.*

Motion to Appropriate General Fund Balance to support the operations of the City government in FY 2011

I move that City Council authorize the appropriation from General Fund Balance of \$5,499,291. This reflects an increase of \$755,000 compared to the City Manager’s Proposed budget. The source of this increase will be from cancelled Contingent Reserves projects currently budgeted in FY 2010.

Motion to Adopt the Revised the Capital Improvement Program

Mr. Mayor, I move the adoption of the proposed FY 2011 to FY 2020 Capital Improvement Program of \$707.1 million in total and \$691.8 million in local funding, with \$106.1 million in total and \$100.7 million in local funding in FY 2011; \$65.1 million in total and \$60.9 million in local funding in FY 2012; \$72.0 million in total and \$71.6 million in local funding in FY 2013; \$59.3 million in total and \$59.2 million in local funding in FY 2014; \$62.3 million in total and \$62.2 million in local funding in FY 2015; \$73.0 million in total and \$72.0 million in local funding in FY 2016; \$68.4 million in total and \$67.4 million in local funding in FY 2017; \$66.9 million in total and \$65.9 million in local funding in FY 2018; \$66.7 million in total and \$65.7 million in local funding in FY 2019; and \$67.2 million in total and \$66.2 million in local funding in FY 2020. The specific dollar amounts for each year of the Capital Improvement Program will be equal to the amounts provided to Council members as part of this motion and will be reflected in the action docket for this meeting.

[Note to reader: the total amounts budgeted for the CIP are as follows. These will be included in the action docket.]

Fiscal Year	Local Funds	All Funds
2011	\$100,676,926	\$106,126,923
2012	\$60,948,447	\$65,103,447
2013	\$71,639,776	\$72,044,776
2014	\$59,186,616	\$59,341,616
2015	\$62,191,026	\$62,346,026
2016	\$72,002,706	\$73,002,706
2017	\$67,408,843	\$68,408,843
2018	\$65,876,697	\$66,876,697
2019	\$65,666,406	\$66,666,406
2020	\$66,215,607	\$67,215,607
Total	\$691,813,050	\$707,133,050

Docket Item #3
Motion to Establish the Real Estate and
Personal Property Tax Rates for Calendar Year 2010

Mr. Mayor, I move final passage of an ordinance to set the City's 2010 blended real property tax rate at \$0.978 (ninety-seven point eight cents) on each \$100 of assessed value, an increase of \$0.075 (seven and a half cents) from the 2009 rate. \$0.973 (ninety-seven point three cents) will provide general fund revenues in support of City government operations. The sum of \$0.006 (six tenths of one cent) on each \$100 of assessed value of the \$0.973 (ninety-seven point three cents) real property tax rate will be dedicated for affordable housing purposes to continue to pay budgeted debt service on affordable housing bonds, beginning July 1, 2010. *This change will be reflected in a subsequent ordinance amending City Code Section 3-1-5, to be introduced in May.* In addition, the sum of 0.3% (three tenths of a percent) of real property tax revenue will continue to be dedicated to the Open Space Trust Fund to continue to pay budgeted debt services on borrowing for open space purposes. **The sum of \$0.005 (five tenths of one cent) on each \$100 of assessed value of real property tax will be collected for stormwater management and established as a separate special revenue fund to address operating and capital needs related to stormwater management. This change will be reflected in a subsequent ordinance to be introduced in May. The total blended real property tax rate for the City in 2010 will be \$0.978.** Personal property tax rates remain unchanged from 2009.

Docket Item #4
Motion to Increase the Annual Fee for the City's Collection and Disposal of Solid Waste, Yard
Debris and Recyclable Materials

Mr. Mayor, I move that we adopt this resolution to increase the residential refuse fee from \$331 per household to \$336. This increase enables the City to continue the City's policy of 100 percent cost recovery of the full cost of residential refuse collection and disposal and provides \$9 to fund the use of larger recycling bins to increase recycling rates and improve convenience and service to users.

Docket Item #5
Motion to Adopt Code Administration Fee Increases and to Establish a Special Revenue Fund for
New Construction Activities

Mr. Mayor, I move that we adopt this resolution to increase Code Administration Fees by the amounts described in Docket Item #5 and that we establish a Special Revenue Fund for New Construction-related activities that is fully funded by permit and inspection fees.