



# REFUSE RATE DISCUSSION

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April 18, 2023 Committee of the Whole

# Refuse Rate Discussion – UIC Analysis

01

Current State of  
the Refuse Fund

02

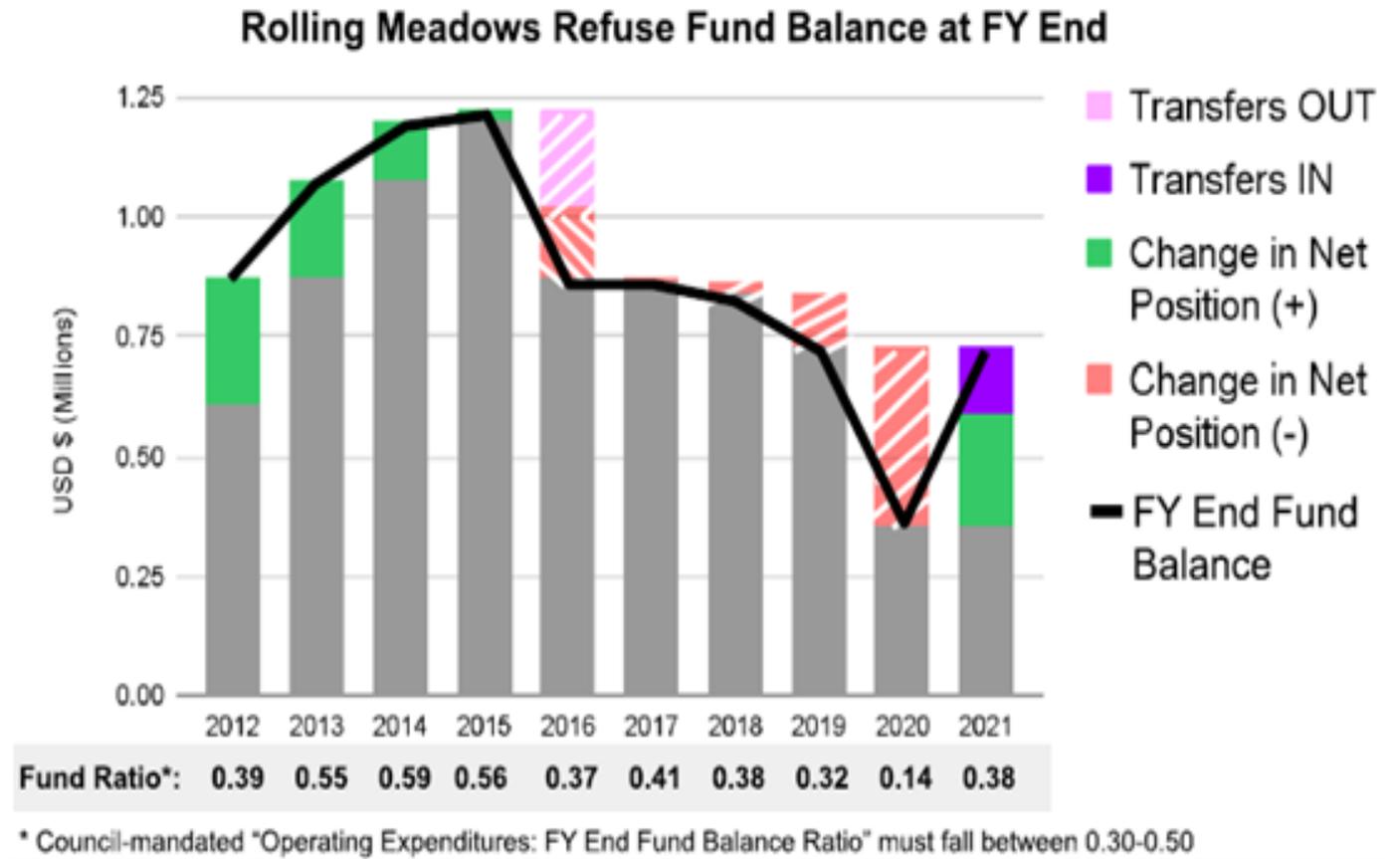
Comparable  
Communities

03

Recommendations  
& Next Steps

# Refuse Fund - Current State

- Enterprise Fund – Functions like a business & supported by its customers
- Monthly rate is \$29.95 since FY14
- Host/Tipping Fees & Transfer Station revenues moved to this fund in FY23
- Fund balance is at 16% of operating expenses



# Comparable Communities

Community	Monthly Fee billed by municipality	Monthly Fee billed by hauler	Hauler
<b>Park Ridge*</b>	<i>Privatized</i>	unknown	Groot
Streamwood	<i>Privatized</i>	unknown	Groot
Schaumburg	\$0.00		Lakeshore
Deerfield	\$8.32		Lakeshore
<b>Arlington Heights*</b>	<i>Privatized</i>	\$17.70	Groot
<b>Hoffman Estates*</b>	\$18.00		Groot
Roselle	\$20.19		Flood Brothers
<b>Elk Grove*</b>	<i>Privatized</i>	\$21.10	Groot
Hanover Park	\$23.07		Groot
<b>Palatine*</b>	\$23.28		Groot
<b>Wheeling*</b>	<i>Privatized</i>	\$23.57	Waste Management
Lincolnshire	<i>Privatized</i>	\$24.09	Lakeshore
Lake Zurich	\$25.20		Lakeshore
<b>Glencoe*</b>	\$27.69		Lakeshore
<b>Rolling Meadows*</b>	<b>\$29.95</b>		<b>In-house, Flood Brothers</b>

\* Member of Solid Waste Agency of Northern Cook County (SWANCC), a 23-member joint action agency charged with solid waste disposal systems.

## Comparable Communities Refuse Collection Program by Item (1/2)

		Rolling Meadows	Arlington Heights	Palatine	Wheeling
<b>Monthly Fee</b>		\$29.95	\$17.30	\$23.28	\$23.57
<b>Garbage Pick Up</b>		in-house	Groot	Groot	Waste Mgmt
<b>Recycling Pick Up</b>		Flood Brothers	Groot	Groot	Waste Mgmt
<b>Included Trash</b>		Unlimited bagged trash	35, 65, or 95-Gallon	35, 65, or 95-Gallon	95-Gallon
	<b>Add'l Carts / Bagged Trash</b>		\$5/cart per month	Unlimited bag trash	not specified
<b>Included Recycling</b>		35 or 65-Gallon	35, 65, or 95-Gallon	35, 65, or 95-Gallon	65-Gallon
<b>Included Electronics Waste</b>		Unlimited	2 items per week	Not Included	Unlimited
	<b>Add'l E-Waste</b>			\$20 for up to 5 items	
<b>Bulk Items (i.e., Furniture, lawn mowers, etc)</b>		Unlimited	Unlimited	Unlimited	1 Item per week
<b>Yard Waste</b>		Unlimited	Not Included	Unlimited	Unlimited
	<b>Add'l Yard Waste</b>		\$2.45 per bag OR Subscription \$11.11 per month		



# Comparable Communities Refuse Collection Program by Item (2/2)

		Rolling Meadows	Arlington Heights	Palatine	Wheeling
	<b>Organics/Food Waste</b>	Not Provided	Subscription \$17.51+ per month	Not Provided	Not Provided
	<b>Included Construction Debris</b>	Limited by certain quantity of items per week (i.e., 6 doors, 3 bags of drywall)	1 Cubic Yard	2 Cubic Yards	Not Included
	<b>Add'l Construction Debris</b>	\$50+	\$15/Cubic Yard		Additional Fee
	<b>Included Large Appliances (White Goods)</b>	Unlimited	Unlimited	Not Included	Not Included
	<b>Add'l Large Appliances</b>			\$20/appliance	Additional Fee
	<b>Hazardous Items (Fluorescent Bulbs, Paint, etc.)</b>	Not Provided	Not Provided	Not Provided	Unlimited
	<b>Senior Discount</b>	Not Provided	-15%	Not Provided	Not Provided
	<b>Active Military Discount</b>	Not Provided	-10%	Not Provided	-20%
	<b>Low-Income Discount</b>	Not Provided	-50%	Not Provided	Not Provided



# UIC Analysis Recommended Option #1

## Raise Refuse Rates

- Maintains current service levels
- Multiple options to implement:
  - One-time rate increase
  - Recurring On-going rate increase tied to the rate of inflation
  - Annual On-going rate increase
    - Approved annually with City Council

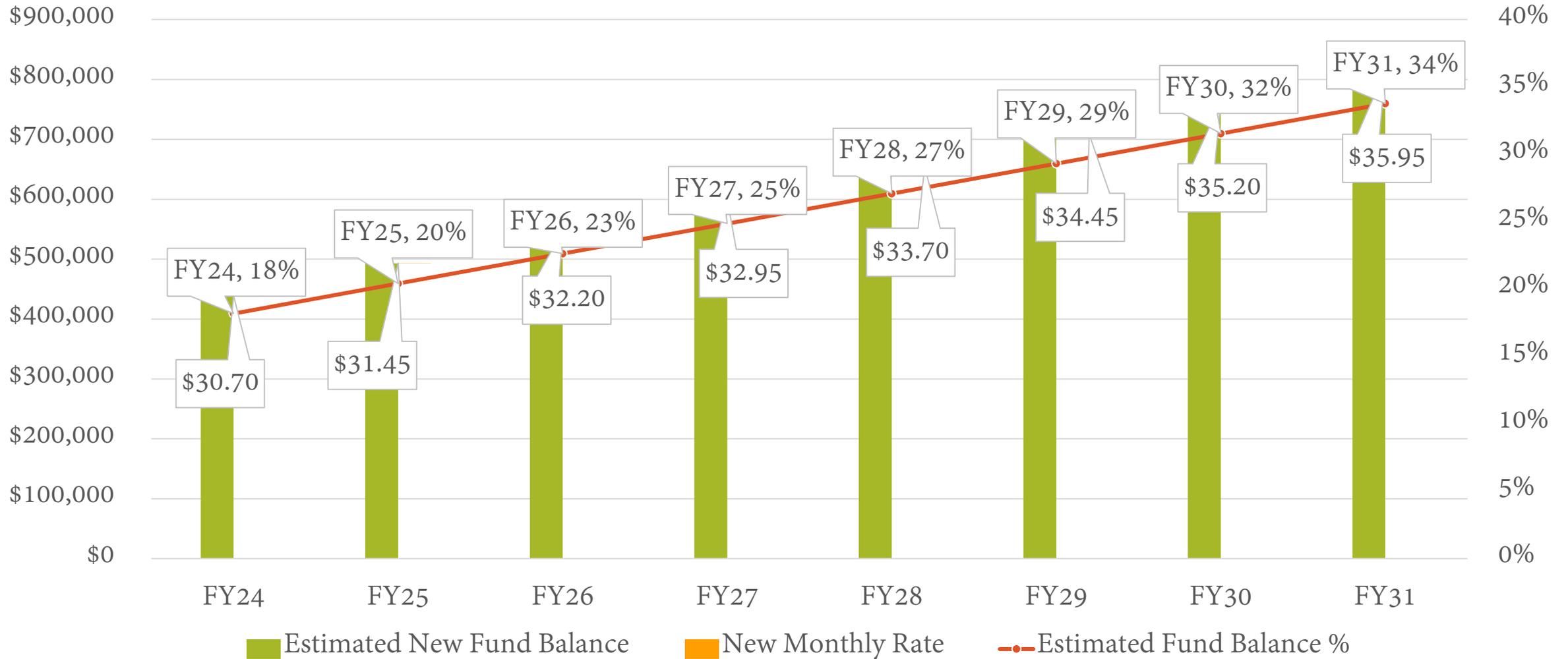
# Recurring Rate Increase with Inflation

Current Rate	Annual Inflation - Recent Years	% Increase in the Rate	Increase By:	New Rate	Revenue Increase	Estimated New Fund Balance	Fund Balance %
\$29.95	2019	1.8%	\$0.54	\$30.49	\$38,868	\$424,451	18%
\$29.95	2020	1.4%	\$0.42	\$30.37	\$30,064	\$415,646	17%
\$29.95	2021	7.0%	\$2.10	\$32.05	\$150,319	\$535,901	22%
\$29.95	2022	6.5%	\$1.95	\$31.90	\$139,582	\$525,164	22%

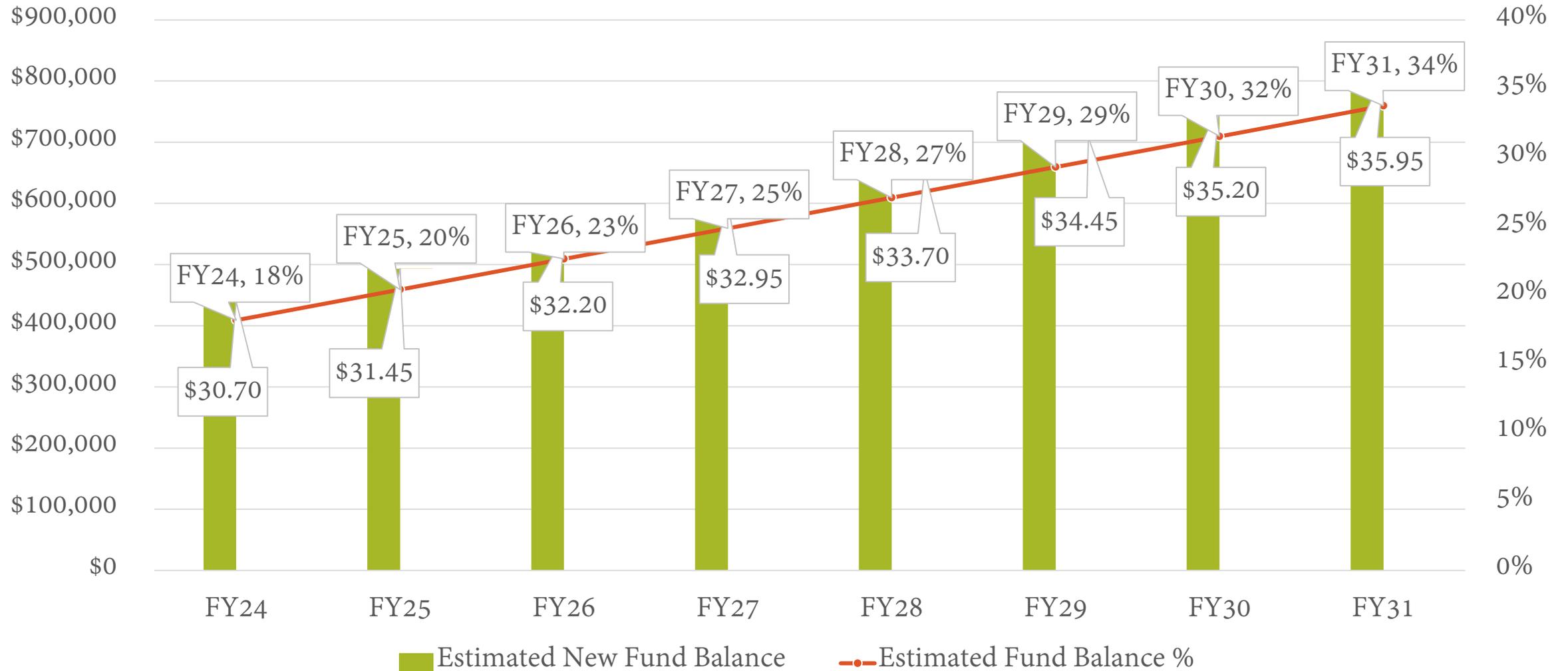
# One-Time & Annual Recurring Rate Options

Current Rate	Increase By:	New Rate	% Increase in the Rate	Revenue Increase	Estimated New Fund Balance	Fund Balance %
\$29.95	\$0.25	\$30.20	0.8%	\$17,925	\$403,507	17%
\$29.95	\$0.50	\$30.45	1.7%	\$35,850	\$421,432	17%
\$29.95	\$0.75	\$30.70	2.5%	\$53,775	\$439,357	18%
\$29.95	\$1.00	\$30.95	3.3%	\$71,700	\$457,282	19%
\$29.95	\$1.25	\$31.20	4.2%	\$89,625	\$475,207	20%
\$29.95	\$1.50	\$31.45	5.0%	\$107,550	\$493,132	20%
\$29.95	\$1.75	\$31.70	5.8%	\$125,475	\$511,057	21%
\$29.95	\$2.00	\$31.95	6.7%	\$143,400	\$528,982	22%

# Annual Increase of \$0.75



# Annual Increase of \$1.50



# UIC Analysis Recommended Option #2

## Privatize Refuse Collection

- Shifts in-house operations to an outsourced company
- Service offering will most likely decrease compared to current or have added fees for specific services
- Need time for implementation
  - PW uses current staff for snow and emergency event operations

# Tonight's Goal

- Take Council input
- No decisions needed tonight
- Bring back any follow up
- Incorporate potential decisions into the future Fiscal Stability Plan steps



# Fiscal Stability Plan

<u>Item</u>	<u>Status</u>	<u>Timing for Council and/or Public Presentation</u>
Identification of revenue options to support current and new services:	In progress at City Manager, Finance, and applicable Department Head(s)	Ongoing
1. Utility Rate Study	Presentation at this COW	April 18, 2023
1. Refuse Rate Discussion	Presentation at this COW	April 18, 2023
1. Revenue Guide	In progress at Finance	Anticipated end of 2 <sup>nd</sup> /beginning of 3 <sup>rd</sup> quarter
New or expanded services	Considered as needed	Dependent on identification of these
Council & Public Participation Opportunities	Will be developed when service level and/or revenue options arise	Ongoing & Anticipated for Utilities and Refuse Rate options
Five-Year Forecast	In progress at Finance	Anticipated 3 <sup>rd</sup> quarter & Update, if needed, end of 3 <sup>rd</sup> quarter

# Fiscal Stability Plan

<u>Item</u>	<u>Status</u>	<u>Timing for Council and/or Public Presentation</u>
Identify new or updates to Fund Balance and other Financial Policies as needed	In progress at Finance	Ongoing
1. Debt Management Policy	In progress at Finance	Anticipated 3 <sup>rd</sup> quarter
FY 2024 Proposed Budget & Capital Improvement Plan Development	Begin at staff level towards end of 2 <sup>nd</sup> quarter	Anticipated 3 <sup>rd</sup> quarter
Property Tax Levy Development & Notice Requirements	Begin at staff level towards end of 2 <sup>nd</sup> quarter	Anticipated 3 <sup>rd</sup> quarter
Adopt new or updated Fund Balance and other Financial Policies as needed	Updated to reflect Council direction	Anticipated November 2023 – to align with budget adoption

# Fiscal Stability Plan

<u>Item</u>	<u>Status</u>	<u>Timing for Council and/or Public Presentation</u>
<b>Adopt FY 2024 Annual Budget and Capital Improvement Plan</b>	Updated to reflect input and direction received from the prior Fiscal Stability Plan items	Anticipated November 2023
<b>Adopt the Property Tax Levy</b>	Updated to reflect input and direction received from the prior Fiscal Stability Plan items	Anticipated November 2023
<b>Adopt the Compensation Plan</b>	Updated to reflect input and direction received from the prior Fiscal Stability Plan items	Anticipated November 2023
<b>Begin FY 2024</b>		January 1, 2024

# Rolling Meadows Fiscal Stability Plan



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# COUNCIL QUESTIONS

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