

City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 15, 2006

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO #12: COUNCILMAN MACDONALD'S REQUEST -
RESIDENTIAL REFUSE COLLECTION FEE

This is in response to Councilman Macdonald's request for the recycling component of the residential refuse collection fee and the ten year history of refuse fee increases.

The amount budgeted for residential refuse collection in the FY 2007 proposed budget, including regular refuse collection and recycling, is \$4,088,543. Those expenditures are divided by 17,273 households for an annual fee of \$237 per household. The portion of those expenditures budgeted for recycling is \$458,550, which equates to \$27 of the \$237. The table on page 9-162 of the proposed budget document shows the fee computation in greater detail. The following chart illustrates the total residential refuse collection fee history from FY 1998 to present.

Fiscal Year*	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Rate	\$160	\$160	\$185	\$185	\$185	\$185	\$185	\$205	\$229	\$237

* All years approved except FY 2007 proposed.

The rate was held flat from FY 2000 to FY 2004 because until FY 2005, residential recycling collection was funded by revenues from a "surcharge" formerly added on to the Waste-To-Energy (WTE) plant tip fee charged to commercial and municipal haulers. The surcharge was originally established for the purpose of funding recycling, but it was eliminated when the Supreme Court struck down a locality's ability to direct the flow of privately collected waste to the local municipal disposal facility. This loss of flow control enabled private haulers to deliver their loads outside the City and forced the WTE plant tip fees to be priced lower to compete with private landfills. The new competitive pricing eliminated the opportunity to continue to charge the recycling surcharge. In FY 2005, when all of the fee revenues from the surcharge were fully expended on City recycling programs, the City then began including the cost of residential recycling in the residential refuse collection fee.

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