



MUNICIPAL OFFICE COMPLEX  
8401 W. MONROE STREET  
PEORIA, AZ 85345

**CITY COUNCIL STUDY SESSION  
NOTICE & AGENDA  
Thursday, March 15, 2012  
5:00 PM  
PINE ROOM**

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**CITY COUNCIL:**

Mayor

Bob Barrett

Palo Verde District

Ron Ames, Vice Mayor

Acacia District

Tony Rivero

Ironwood District

Dave Pearson

Mesquite District

Cathy Carlat

Pine District

Carlo Leone

Willow District

Joan Evans

City Manager

Carl Swenson

**CONVENE:**

**PLEDGE:**

**ROLL CALL:**

**FINAL CALL TO SUBMIT SPEAKER REQUEST  
FORMS:**

## **STUDY SESSION AGENDA**

### **Subjects for Discussion Only:**

1. Theater Lease Agreements (Theater Works and Arizona Broadway Theatre)
2. Solid Waste Rates - Residential and Commercial
3. Fiscal Year 2013 Proposed Budget

### **CALL TO THE PUBLIC: (NON-AGENDA ITEMS)**

If you wish to address the City Council, please complete a Speaker Request Form and return it to the clerk before the call to order for this meeting. The City Council is not authorized by state law to discuss or take action on any issue raised by public comment until a later meeting.

### **ADJOURNMENT**

**NOTE:** Documentation (if any) for items listed on the Agenda is available for public inspection, a minimum of 24 hours prior to the Council Meeting, at any time during regular business hours in the Office of the City Clerk, 8401 W. Monroe Street, Room 150, Peoria, AZ 85345.

***Accommodations for Individuals with Disabilities.*** *Alternative format materials, sign language interpretation, assistive listening devices or interpretation in languages other than English are available upon 72 hours advance notice through the Office of the City Clerk, 8401 West Monroe Street, Room 150, Peoria, Arizona 85345 (623)773-7340, TDD (623)773-7221, or FAX (623) 773-7304. To the extent possible, additional reasonable accommodations will be made available within the time constraints of the request.*

**PUBLIC NOTICE:**

*In addition to the City Council members noted above, one or more members of the City of Peoria Boards and Commissions may be present to observe the City Council meeting as noticed on this agenda.*

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

SS: #1

**Date Prepared: March 7, 2012**

**Study Session Date: March 15, 2012**

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**TO: Carl Swenson, City Manager**

**FROM: Susan J. Daluddung, Deputy City Manager**

**SUBJECT: Theater Lease Agreements**

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**Purpose:**

City staff will offer an update on discussions with Theater Works and Arizona Broadway Theatre regarding current lease agreements. Staff will seek guidance regarding existing contractual terms.

**Background/Summary:**

For the last several years, the City has been involved in lease agreements with both the Arizona Broadway Theatre and Theater Works. While both agreements have very distinct terms and conditions, they nevertheless represent the commitment of City Council to promote performing arts programming within the community.

In 2006, the City constructed a 20,000 square foot Center for the Performing Arts. The Center includes a 270-seat main stage, as well as an 80-seat black box theater for alternative programming. In its inaugural year, the City contracted with Theater Works to operate and maintain the facility.

The Arizona Broadway Theatre (ABT) serves as a non-profit theatre group housed in the Entertainment District of Peoria, providing cultural and community activities throughout the year. In May of 2003, the City entered into a land-lease agreement with ABT which allowed the agency to utilize City land for a 25-year period. This included a lease payment schedule paid to the City.

Since their inception, both theaters have served as important cultural catalysts to the community. However, in this difficult economy, both agencies continue to struggle to sustain their high level of quality programming. For ABT, the City Council has saw fit to restructure the lease, deferring scheduled payments until March of 2012. While no lease payments are obligated to Theater Works, the group has also been challenged to revisit its business model.

In November of 2011, City staff received Council guidance to begin evaluating both of these lease arrangements. Since that time, staff has held informal discussions with theater leadership to explore contractual obligations, learn about current market conditions, and begin crafting strategies going forward. In addition, staff cross-functional teams have organized to review arrangements in other communities, fashion a listing of interests, and brainstorm on potential financing alternatives for each group. We are in the initial stage of assessing strategies and potential new models.

**Theater Works Update**-In February of this year, Theater Works hired its new Executive Director, an individual with extensive experience in theater management. In the last month alone the City has held numerous meetings with the Theater Works Director and representatives to assess immediate facility needs address maintenance concerns, and program use of City events. The discussions on short-term issues have proven to be productive and beneficial for all parties. However, efforts toward a joint long-term strategy are just beginning with the new Theater Works leadership.

**Arizona Broadway Theatre Update** Arizona Broadway Theatre (ABT) is structured as a non-profit organization, housed on four acres of city owned land located on Paradise Lane. The facility primarily serves as a quality dinner theater, while also providing ancillary meeting and conference room space. A complete report on the history and background was provided to City Council in December of 2011. As part of that report, staff sought Council authorization to re-negotiate the ABT lease and directions on how to proceed on negotiation. Tonight continues that staff discussion with City Council. Staff is pursuing council direction in setting policy direction for the City for both the short run and the long-run.

**Lease Payment Schedule-Arizona Broadway Theatre**

The following table offers the current structure of planned lease payments by ABT for the 25-year term. The lease payments to the City were to begin in 2007. However, the economic downturn of that time had a serious impact on the theater's financial situation. Since that time three extensions have been given, amending and deferring rent payment schedules. While not directly providing lease payments in this period, ABT has continually generated sales and property tax revenue for the City. Moreover, it has served as a cultural asset for residents in the northwest valley. To better quantify their economic and community impact, ABT submitted a Community Impact Statement to the City in November, 2011.

According to recent letters from their Board Chair and Executive Director, ABT remains under significant financial stress. Their situation will likely be exacerbated by the assumption of lease payments. For reference, the terms reflected below were set in the early 2003.

<u>Remaining 25 year term of lease</u>	<u>Amended monthly lease</u>	<u>Original monthly lease</u>
2008 thru 2011	no lease payments	\$ 6,472 per month adjusted every 4 years by CPI
2012	\$ 4,900 per month	
2013 thru 2017	\$ 5,500 per month	
2018 thru 2022	\$ 5,750 per month	
2023 thru 2027	\$ 6,550 per month	
2028 thru 2032	\$ 7,400 per month	

Over the years ABT has approached the city on several occasions requesting financial assistance to help remain in business. Recently, ABT wrote to City officials requesting an adjustment to planned lease payment obligations to the City of Peoria. Although ABT is party to an existing city lease agreement, the theater requests that only a nominal rent (i.e. \$1 per year) be charged in order for the theater to effectively continue its operation. In the past months, the Community Services Interim Director, Finance Director and I have met several times to discuss their fiscal situation. Our goal was to assure that they are doing everything they possibly can to remain a viable business in a down economy. Based on theater leadership, ABT is currently projecting a \$150,000 operating deficit for next year. Given last year’s financial picture, coupled with current budget challenges, their management has indicated that they have no ability to pay a rental amount to the City, while also paying the debt and maintenance on the Theater building. During the summer months and early fall, ticket sales are at their very lowest, which points to a limited chance of success of meeting any lease payment obligation to the City. For these reasons, staff believes this is the wrong time to be asking for lease payments, as it may likely result in a default on the lease.

There are a variety of reasons behind this payment request from the non-profit Arizona Broadway Theatre. The commercial real estate market has witnessed an abrupt shift in the last few years. Moreover, the distressed housing market and resulting population shifts have affected the targeted demographic in Arizona. This situation is not unique, as most theaters and similar organizations appear to face similar conditions. While the City would prefer to possess a lease arrangement that provides a stream of revenue, it is also cognizant that, in the long run, ABT will serve as a vital cultural and economic asset. Based on stated financial difficulties of the theater, staff is concerned lease payments at this time will undermine the theater’s ability to function effectively. With this in mind, staff recommends a nominal lease payment of \$1 per year.

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**Options:**

As described above, the city currently has a lease agreement with Arizona Broadway Theatre with a monthly lease payments of \$4,900 scheduled to commence in April 2012. Due to prior rent deferrals, the scheduled lease payments increase significantly in subsequent years.

In context with the stated policy objectives, staff has identified the following options for Council consideration:

- A: Direct staff to maintain the current lease and the collection of lease payment as they become due. ABT staff have communicated that this option would reduce their ability to provide programs supporting arts and culture in the community and, from a financial standpoint, may be unable to pay the lease payment.
- B. Direct staff to amend the lease agreement with Arizona Broadway Theatre to reduce the future monthly lease payments. As noted in Option A above, ABT has informed city staff of their financial inability to pay a lease payment to the city in the current economic environment.
- C: Direct staff to amend the lease agreement with Arizona Broadway Theatre to reduce future lease payments to a nominal amount of \$1/year.

**Staff's Recommendation:**

Discussions between ABT and the City's Finance, Community Services and City Manager Office has led to better understanding of ABT's current operating financial situation. In its current year ABT is projecting a \$150,000 operating deficit. Efforts continue to reduce expenses wherever possible. From a revenue standpoint, ABT staff believes they have no ability to increase ticket prices or other revenue streams. In recognition of ABT's inability to support lease payments, of current economic environment and market conditions, as well as Council's stated policy goals regarding culture and economic development in Peoria, staff recommends enacting a reduced monthly rate on the lease agreement with Arizona Broadway Theatre of \$1/year. Staff believes ABT adds significant benefit to the community while supporting the council policy objectives identified in the adopted Arts and Cultural Plan and Sports and Entertainment District. Live dinner Theater and meeting space in the Sports and Entertainment District also provides a valuable economic and entertainment amenity, and meets the objectives of sound City planning. Additionally, staff seeks Council support to continue long-term strategic discussions with both theater groups. Over the next year, staff will work with both Theaters to develop a viable long-range plan to help assure their ability to position the City in our long range strategy for Peoria to emerge as the leading arts city in the West Valley.

**Fiscal Analysis:**

No general funds have been programmed for use in the FY 2013 budget. Due to the realities of market conditions, and ABT's financial position, staff has never counted on lease revenue in the city's financial projections. However, there will be a negative impact if the City were to lose the sales tax revenue and tourism dollars generated by the visitors to the Theater. Also, community groups currently have meeting space available at a reasonable rate, including the city, which would be lost if the Theater were to go out of business. Under the new economic reality, and the Theater's financial condition, a reevaluation of the lease needs to occur. The lease re-set to a nominal amount could help business conditions, along with a long-range plan, which could result in a positive fiscal impact to the City over the long-run. The positive impact would come from direct revenues, as in higher sales tax generation, more visitors, and more related stops to other venues in our Sports and Entertainment District.

**Attachments:**

Arizona Broadway Theatre-Executive Director Letter

Arizona Broadway Theatre-Community Impact Case Statement



## Arizona Broadway Theatre Lease Amendment Request

March 07, 2012

Thank you for recognizing the importance arts play in the community. We appreciate your consideration of our request to modify the current lease we have with the City. As outlined in the case statement you had the opportunity to learn about all the ways the Arizona Broadway Theatre touches people.

I strongly urge the Mayor and Council to assist us in providing the City this important asset. Over the past years, we have done everything possible to reduce expenses, including salary cuts, reorganization of the kitchen, employing more volunteers and interns and advancing our donation campaigns. However our budget for 2012 still has a deficit. Adding an additional expense will only make it harder for us to deliver on our promise to the community. We think things are improving, but adding an additional expense at this juncture will only harm.

Please consider the outline of our business structure.

### I. Financial

1. **No public funds.** The Arizona Broadway Theatre in Peoria was built as a PPP (public private partnership) financed entirely through private funding, a \$6.5 million investment.
2. **Mortgage.** Peoria now has a first-rate performing arts center with a mortgage, which we must pay \$31,000 each month to carry the mortgage.
3. **ABT makes money for the City.** Since 2005, ABT has generated significant sales tax revenue for the City. Over \$410,000. Or about \$45,000 annually.

### II. Market/Economy

1. **The world was a different place 10 years ago.** When we initiated our project in 2001, we fully expected to be able to pay a higher lease payment on the land, but construction delays, cost overruns, competition and the economic recession has set us back.
2. **We see many arts groups give up.** As recently as this month, we have learned that another theatre powerhouse in the valley, Broadway Palm West in Mesa, has thrown in the towel.

- 3. Competitive market.** While we were developing the theatre with the full support of the City, the City was also working on building its own Performing Arts Center which, no matter what we think, does compete with us for discretionary spending dollars.

Supporting local arts is supporting the community. With zero public funding for the development of the theatre, a steady revenue stream of sales tax, and a point of pride for the City, there is no justifiable reason to impede our ability to deliver high-quality cultural programming to the community by enforcing a counter-productive ground lease payment. **Peoria is my town.** Peoria has a strong arts community, a brand that will resonate in the region. As neighboring cities continue to vie for market share and visibility, now is the time for the City to recognize its own vibrant arts community. Supporting this request will help ensure a strong future for Peoria.

Thank you.



Kiel Klaphake

# Arizona Broadway Theatre (ABT) Community Impact Case Statement

Dec 2011

## 1. Introduction

At the heart of the professional arts and entertainment community in the West Valley, ABT is committed to transforming lives by providing the highest quality production of live theatre, cultural enrichment, learning opportunities for youth and adults, and robust economic development for the City of Peoria and the State of Arizona. ABT recognizes and values its essential role in the community for the greater common good and welcomes the opportunity to have the utmost impact on the citizens of Peoria by enhancing their lives through the power of the performing arts. ABT is dedicated to supporting the arts by offering staffing, programs, and services to performing artists, adults and youth, and communities throughout the Phoenix metropolitan area.

The importance of ABT's presence and its track record of success in the City of Peoria can best be explained through numbers. Since its inception in 2005, the theatre has mounted 44 large-scale, Broadway-style Mainstage productions culminating in more than 2,500 performances. The theatre has employed more than 375 national and local actors, many for multiple contracts. And, in that time, more than 480,000 tickets have been sold and approximately 80,000 patrons of all ages come to the theatre annually.

Through the use of electronic and written surveys as well as informal anecdotal information, ABT makes an effort to listen and respond to its patrons by designing each new season's productions with them in mind – with particular attention paid to the quality and variety in a season lineup that demands the most artistically innovative and technically advanced productions each and every year.

ABT also has been staunchly committed to serving school-age children and youth. Since the launch of its Academy for Young Performers in 2006, more than 1,500 youth have participated in the exploration of and experiential learning in theatre arts skills. In 2008, ABT established its Theatre for Young Audiences, which has produced 15 plays adapted for the stage from classic children's literature with over 20,500 children and their companions attending performances. Most recently, an additional 779 children from the City of Peoria's Summer 2011 Recreation and Camp programs attended the Theatre for Young Audiences' popular production of *Charlie and the Chocolate Factory*.

In addition, ABT has enjoyed a dynamic partnership with fifth- through eighth-grade students enrolled in the Peoria Arts Institute, the unique performing arts program located at Foothills Elementary School. ABT's professional performers have taught and inspired Foothills' students, brought theatre outreach programs into classrooms and invited students to perform at the theatre. Recently, ABT has partnered with the StageDoor Dance Center to provide dance classes in ballet, tap, jazz and hip hop. ABT also is collaborating with both the Peoria Unified School District and the Dysart Unified School District to provide a "Week of Theatre," which will introduce hundreds of children to the magic of the performing arts this winter.

Since opening its doors, ABT's long-term synergistic relationship with the Peoria Sports

Complex has continued. The Sports Complex and ABT remain two recognizable anchors in the City of Peoria's *Peoria Eighty Three (P83) Entertainment District Development Plan*. Land marks of this plan are defined by the Loop 101, the high-profile 83<sup>rd</sup> Avenue strip and Bell Road from 75<sup>th</sup> to 83<sup>rd</sup> Avenues. In an effort to define this district, ABT currently has banners highlighting each of the theatre's upcoming productions hanging on both the east and west sides of 83<sup>rd</sup> Avenue and on the south side of Bell Road between 75<sup>th</sup> and 83<sup>rd</sup> Avenues. Moreover, each year the theatre is represented at all Spring Training games – on hand with a display and marketing materials. ABT's talented performers often sing the National Anthem at games and regularly enjoy sunny spring afternoons on the grass of the outfield lawn. Additionally, the theatre hosts the annual Peoria Diamond Club Holiday Party, and beginning in 2010, ABT became the Stage Sponsor for the Club's October BeerFest on the grounds of the Sports Complex.

As a member of the Peoria, Glendale, and Surprise Chambers of Commerce, ABT believes that commerce between the theatre and local businesses remains an integral component for growth and exposure. An example of this continued partnership began in September of 2011 when the Peoria Chamber of Commerce elected to hold its monthly luncheons at ABT. These luncheons provide Chamber members the opportunity to remain up-to-date on important member initiatives and programs as well as highlight ABT as a leading entertainment venue in addition to being a possible rental location for future conventions and special events.

Regionally, ABT continues its strategic campaign to market its shows and programs to a wider audience throughout the Valley of the Sun. Knowing that distance from the west remained a barrier-of-entry for those considering ABT as their entertainment option, a partnership with Tour West America – one of the Valley's oldest and most trusted charter bus companies – was initiated to provide transportation to and from the theatre. Through this partnership, a plan was developed to solicit communities from various regions of the State as well as from the eastern and southern portions of the Phoenix Metro Area. As a reflection of this effort, ABT regularly welcomes individuals and groups from locations east of Mesa, downtown Scottsdale, Prescott, Tucson, Casa Grande, and Yuma, AZ. Furthermore, communities along the Bell Road corridor to the west frequently take advantage of the transportation, dinner and show offering as a viable, safe, and preferred option when attending performances at ABT.

In addition to ABT's efforts to expand its audience reach both Valley- and State-wide, a targeted solicitation for out-of-state tourism was proposed in 2010 to begin marketing the theatre's unique "all-in-one" entertainment experience and the cities of the West Valley to national and international touring organizations, which annually seek out the State of Arizona as a destination for their customers. Currently, the ABT patron database is comprised of more than 61 thousand households with nearly 20 percent of those households being out-of-state residents. In an effort to grow ABT's out-of-state market exposure, representatives from the theatre attended the 2010 National Tour Association (NTA) annual convention in Montreal, QC Canada. In preparations for attending the conference, ABT partnered with the Arizona Office of Tourism and with the Glendale Convention and Visitors Bureau's (GCVB) "Go West" campaign to market ABT and the West Valley as a viable "stop and stay" option for out-of-state tour operators. As part of a strong Arizona contingent in attendance, ABT was the only Arizona arts organization present at the convention. ABT remains confident that inter-state, national and international tourism is a

viable and achievable economic generator for the western regions of the Phoenix Metro Area.

ABT's Season 7 (launching on October 14, 2011 with an unmatched mix of celebrated classics alongside more recent Broadway favorites, including *TARZAN*, which will proudly make its State of AZ premiere on the ABT stage) marks a new beginning for the theatre as a viable and affordable option for local and regional businesses, which seek to grow their business through targeted advertisement and sponsorships. Beginning this season, ABT will offer a new "Community Partners Sponsorship" platform to businesses in search of a promising return on their advertising dollars spent. This program highlights the multiple opportunities available for businesses to grow via their exposure to the over 80,000 patrons who annually pass through ABT's doors.

With an operating budget of over \$4,500,000, ABT has had a positive impact on the City of Peoria and according to the Americans for the Arts analysis, will generate \$100 million in economic activity over the next 10 years. On average, ABT employs 63 full-time and 46-part time staff members, all of whom live, work, and shop in Peoria or nearby communities. The theatre also enjoys a dedicated cadre of 150 local full-time volunteer ushers who support ABT in myriad ways.

As a leading professional theatre company in Phoenix, ABT has received countless Arizona Theatre Awards and in September 2010, *PHOENIX Magazine* named ABT the "Best Playhouse of the Valley." The theatre also was supported by the Honorable Ken Bennett, AZ Secretary of State, in its nomination for a 2011 Governor's Arts Award. Most recently, ABT's executive producer and founder, Kiel Klaphake, was named to the *Phoenix Business Journal's* Forty Under 40 Class of 2011, which recognizes 40 of the region's top business and civic leaders.

ABT believes in setting an example as a good corporate citizen and neighbor by giving back to the communities it serves. ABT hosted "Close the Curtain on Cancer," a fundraiser to benefit Hospice of the Valley and AZ Assistance in Healthcare; participated in "Seeing the Need: A Night of Giving Back," which benefitted local underprivileged children and their families; has served and will continue to serve as a Toys for Tots collection site; and planned a recent successful initiative to benefit the New Life Center, a refuge for women and their children who are victims of domestic violence. The theatre invites individuals from local not-for-profit organizations to attend the Preview Night of every Mainstage performance at no cost. In addition, ABT donates tens of thousands of dollars worth of tickets every year to other Maricopa County nonprofits in support of their fundraising endeavors.

## 2. Value

ABT is a community partner with The City of Peoria by addressing many needs identified in City policies, initiatives and programs.

- Meets community needs for arts and quality of life. *City of Peoria Arts Master Plan*
- Arts programming drives economic activity and builds communities. *Peoria EDIS*
  - ABT serves a broad community, 75% of patrons come from outside the city boundaries.
  - ABT serves 12,503 active Peoria households.

- Over the years, Peoria citizens have purchased 126,727 tickets to ABT performances.
- Creates a sense of place and destination as part of the entertainment district. *Sports Complex Study*

### **3. Commitment**

Conceiving an arts organization to meet the community needs by building and operating a performing arts organization is no easy task. Planning required not only mastery of the business functions, but a significant personal financial investment by the individuals involved in the project. While the Peoria EDIS recognizes that formal entertainment facilities are very attractive to residents, they can be expensive to build. We at ABT made the entire process simple. We financed and constructed ABT, the leading arts producer in the West Valley, and the largest, year-round, nonprofit theatre company in the valley, with no public assistance. We did it because there was a need and we knew we could meet that need to create a sense of place for artists, encourage the notion of enhanced livability and quality of life for West Valley residents, and advance the City's commitment to building a "community of choice."

Peoria now has the opportunity to fully take advantage of the impact ABT has made on the community. Peoria can be known as that community that celebrates and supports the arts – an initiative that will create definition for a healthy community, attract new businesses, and help the arts to flourish.<sup>1</sup>

We respectfully ask that the City of Peoria recognize Arizona Broadway Theatre's community value by allowing us to operate without the encumbrance of a costly ground lease.

Thank you.

**(Attachment)**  
**Did You Know?**

Since opening in 2005, ABT has:

- been the largest, year-round, not-for-profit theatre company in the valley.<sup>ii</sup>
- welcomed 80,000 patrons of all ages come to the theatre annually.
- sold nearly 500,000 tickets.
- presented more than 2,500 performances.
- doubled its artistic output of high-quality programming.
- employed more than 375 national and local actors, many for multiple contracts.
- produced 44 large-scale, Broadway-style Mainstage productions.
- generated nearly \$10 million annually in economic activity to boost the regional economy.<sup>iii</sup>
- employed 63 full-time and 46 part-time employees on average.
- provided acting, singing, dance, and production-related classes for more than 1,500 children in the theatre's *Academy for Young Performers* (established in 2006).
- expanded the reach of its *Academy* program by offering scholarships to disadvantaged children locally.
- produced the majority of its costumes, sets, and props in the theatre's on-site production shops.
- held auditions for performers in New York City at least twice a year as well as locally throughout the year to augment talent brought to Peoria from New York.
- offered internships in all areas of technical theatre and marketing, giving high school and college students actual hands-on professional theatre experiences.
- been privileged to count on a very special cadre of more than 150 dedicated volunteers who have served as ushers, ticket takers, and set, costume and prop construction assistants.
- produced 15 plays based on children's classic literature through its *Theatre for Young Audiences* (TYA) program (established in 2008).
- counted more than 20,500 children and their companions who have attended TYA performances.
- enjoyed a dynamic partnership with fifth- through eighth-grade students enrolled in the Peoria Arts Institute, the unique performing arts program located at Foothills Elementary School.
- utilized its professional performers to teach and inspire Foothills' students, bring theatre outreach programs into classrooms and invite students to perform at the theatre.
- recently partnered with the StageDoor Dance Center to provide dance classes in ballet, tap, jazz and hip hop.
- arranged for a collaboration with both the Peoria Unified School District and the Dysart Unified School District to provide a "Week of Theatre," which will introduce hundreds of children to the magic of the performing arts this winter.
- donated thousands of tickets to other Maricopa County nonprofits in support of their fundraising endeavors.

**(Attachment)**  
**2011-2012 Season**

**Mainstage Productions:**

October 14 – November 18, *A Chorus Line*  
November 25 – December 24, *Miracle on 34<sup>th</sup> Street*  
January 6 – February 12, *Singin' in the Rain*  
March 2 – April 1, *Sunset Boulevard*  
April 20 – May 20, *Disney's TARZAN*, an Arizona premiere  
June 8 – July 15, *Grease*  
August 3 – September 1, *The Will Rogers Follies*  
September 7 – October 7, *The Odd Couple*;

**Academy for Young Performers:**

January 30 – March 19, *Winter Academy Classes with Academy Showcase*  
June 11 – 15, *ABT Camp Broadway*, Session 1, Musical Theatre 101  
June 18 – 29, *ABT Camp Broadway*, Session 2, culminating in a live musical performance  
July 2 – 20, *ABT Camp Broadway*, Session 3, culminating in a live musical performance  
July 30 – August 3, *ABT Camp Broadway*, Session 4, culminating in a live musical performance

**Theatre for Young Audiences Productions:**

November 12 – February 11, *The Lion, the Witch, and the Wardrobe*  
March 24 – May 19, *The Adventures of Stuart Little*  
June –July, *Charlotte's Web*

**Special Events:**

October 8, **Fall for the Arts Festival**  
October 14, **Take A Bow! Awards Ceremony**  
October 17, *Robert Shaw–Ronstadt Generations*  
October 21, *Cabaret*  
November 4, **ABT's 6<sup>th</sup> Anniversary; Cabaret**  
November 14, *Robert Shaw–Good Rockin' Live! A Salute to Sun Records*  
November 25, **Tree Lighting Ceremony; Kick-off of Toys for Tots Campaign**  
December 2, *Cabaret*  
December 9, 10 and 11 *A Broadway Christmas Carol*  
December 12, *Blue Christmas: A Holiday Salute to the King*  
December 15, *Ladies Who Lunch; Cabaret*  
December 16 and 17, *A Broadway Christmas Carol; Cabaret*  
December 31, **New Year's Eve Gala – Hollywood Nights – Where Everyone is a Star!**  
January 13, *Cabaret*  
January 16, *Robert Shaw–The Blues from A–Z*  
January 27, *Cabaret*  
February 6, **Season 8 Announcement**  
February 13, *Manhattan Dolls with Robert Shaw*

February 15 – 19, *Remember Patsy Cline*  
March 8, 9, and 10, *The Musical of Musicals – The Musical!*  
March 12, *Robert Shaw–How Great Thou Art: The Gospel Music of Elvis*  
March 15, 16 and 17, *The Musical of Musicals – The Musical!*  
March 24, *Bravo! Arizona Broadway Theatre presents Jungle Nights ... A Wild Affair,*  
**a fundraiser at the Phoenix Zoo in conjunction with the AZ premiere of TARZAN**  
April 9, *Robert Shaw–A Salute to the Rat Pack and Friends*  
May – September programming, to be determined

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<sup>i</sup> Arts Master Plan, City of Peoria

<sup>ii</sup> Based on total attendance

<sup>iii</sup> Americans for the Arts, economic impact analysis

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

SS: #2

**Date Prepared: December 19, 2011**

**Council Meeting Date: March 15, 2012**

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**TO:** Carl Swenson, City Manager

**FROM:** William Mattingly, Public Works - Utilities Director

**THROUGH:** Susan K. Thorpe, Deputy City Manager

**SUBJECT:** Solid Waste Rates – Residential and Commercial

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**Purpose:**

This is a request for City Council to review the proposed rates for the City's Solid Waste Programs for FY2013-2017. Based on Council discussion and input at the Study Session, staff will prepare a final rate recommendation to be adopted by the Council as part of the FY2013 budget adoption process.

**Background/Summary:**

The Public Works – Utilities, Management & Budget and Finance Departments have completed an initial review of the financial conditions within the City's Solid Waste Service Division. Staff will present information regarding the Residential and Commercial Solid Waste Programs for discussion by the City Council.

A memorandum dated October 5, 2011 was provided to Council for general information related to the City's Solid Waste program and an upcoming rate study. Staff referred to this memorandum during a briefing about the Solid Waste program at the October 28, 2011 Council workshop. At that time Council forwarded this issue to the Public Services Subcommittee for discussion and recommendation. These topics were discussed at the Public Services Subcommittee meetings on December 1 and December 15, 2011.

**Residential Solid Waste Service**

The Public Services Subcommittee met on December 01, 2011 to discuss Residential Solid Waste Services. Staff presented a review of the current Residential Solid Waste Programs which include weekly trash and recycling collection for approximately 49,000 residents and once a year bulk trash collection, Christmas tree disposal; Household Hazardous Waste disposal and special haul services. Staff also discussed service options based on input from the City Council at the October 28, 2011 Workshop. Staff will review these options during the Council Study Session. The Staff recommendation for the Residential Solid Waste is to maintain the current programs and service levels and reduce monthly rates by 13% from \$15.06 to \$13.10.

The Public Services Subcommittee voted to adopt the Staff recommendation and forward this item to the Council Study Session.

### **Commercial Solid Waste Service**

The Public Services Subcommittee met on December 15, 2011 to discuss Commercial Solid Waste Services. Staff presented a review of the current Commercial Solid Waste Programs which includes front loader container service for general business customers, multi-family developments (apartments), government facilities (including Peoria buildings and parks) and schools. Peoria City ordinance requires multi-family customers to use City Solid Waste services.

The Commercial division also provides roll-off collection services to businesses, residents and government accounts (including the Butler Water Reclamation Facility), and serves approximately 45 accounts monthly.

In 2009, Peoria began to provide Commercial Recycling Service to municipal, school and multi-family customers at no additional cost. These customers (108 commercial accounts) were serviced by adjoining Residential Recycling routes. Beginning in 2011, the Solid Waste Division began to extend these services to an additional 23 business customers. The current Commercial Solid Waste rates do not cover the cost of recycling services. The needs of Commercial customers vary greatly and providing commercial recycling service is more complex than Residential recycling. Commercial Solid Waste rates were last adjusted in January 2009. At that time there were no Commercial Recycling customers, so the rates adopted did not account for this service.

The rate analysis prepared by staff projects the need for Commercial Solid Waste rates to increase 3% annually for FY2013 through FY2017 (for a total 15% over the five year forecast period) for the Commercial front load service only. This does not include Commercial Recycling Service costs.

Commercial customers determine the number and size of containers and the frequency of service per week according to their unique needs. In most cases, commercial recycling customers have not reduced their trash collection frequency to adjust for recycling service. As a result, this requires additional service days for recycling without an offset in service days for trash collection. In addition, revenue collected from recyclables does not entirely offset cost of collection. Staff is proposing a monthly rate of \$25.00 for once a week recycled container service for Commercial Recycling Service regardless of container size. Customers can mitigate the proposed cost for Commercial Recycling Service by adjusting commercial trash service, reducing the number of containers and /or the frequency of service each week. This will require a review of each Commercial customer's needs.

Staff recommended the following for Commercial Solid Waste Rates:

1. Increase the rates for Commercial Solid Waste 3% for the Commercial front load Service only in FY 2013 (no rate adjustment for roll-off service is recommended at this time). It is projected that additional future rate adjustments will be needed in FY 2014 through FY 2017.
2. Adopt a rate for Commercial Recycling Service based on the following Table:

<b>Container Size</b>	<b>Frequency Of Service Delivery</b>	<b>Flat Rate</b>
300-gal, 4YD, 6YD,8YD	1x per week	\$25.00
300-gal, 4YD, 6YD,8YD	2x per week	\$50.00

The Public Services Subcommittee voted to adopt the Staff recommendation and forward this item to the Council Study Session.

#### **Previous Actions**

1. Staff provided a briefing about the Solid Waste program at the October 28, 2011 Council workshop. At that time Council forwarded this issue to the Council Public Services Subcommittee.
2. The Public Services Subcommittee met on December 01, 2011 to discuss Residential Solid Waste Service and voted to adopt the Staff recommendation and forward this item to the Council Study Session.
3. The Public Services Subcommittee met on December 15, 2011 to discuss Commercial Solid Waste Services and voted to adopt the Staff recommendation and forward this item to the Council Study Session.

#### **Options:**

This is an informational presentation only.

**Staff's Recommendations:**

**Residential Solid Waste**

Staff recommends that we reduce monthly rates for Residential Solid Waste by 13% from \$15.06 to \$13.10, and maintain current programs and service levels.

**Commercial Solid Waste**

Staff recommends the following for Commercial Solid Waste Rates:

1. Increase the rates for Commercial Solid Waste by 3% for the Commercial front load Service only in FY 2013 (no rate adjustment for roll-off service is recommended at this time). It is projected that additional future rate adjustments will be needed in FY 2014 through FY 2017.
2. Adopt a rate for Commercial Recycling Service based on the following Table:

<b>Container Size</b>	<b>Frequency Of Service Delivery</b>	<b>Flat Rate</b>
300-gal, 4YD, 6YD,8YD	1x per week	\$25.00
300-gal, 4YD, 6YD,8YD	2x per week	\$50.00

**Fiscal Analysis:**

The rate analysis conducted by staff indicates that the current Residential Solid Waste rates will continue to generate more revenue than needed to maintain current services over the next five years. This presents an opportunity to reduce Residential Solid Waste rates.

The rate analysis for Commercial Solid Waste indicates the need to increase rates to ensure that revenues are sufficient to cover expenditure projections.

**Narrative:**

Prior to formulating final rate recommendations, and in advance of the FY2013 budget development, staff would like Council's input.

The guidance received from Council will be the foundation of the rate analysis for both the Residential and Commercial Programs.

**Exhibit(s):**

**Exhibit 1:** Solid Waste Program Supplemental Information

**Exhibit 2:** Presentation Material from December 01, 2011 Public Services Subcommittee meeting.

**Exhibit 3:** Presentation Material from December 15, 2011 Public Services Subcommittee meeting.

**Exhibit 4:** Discussion Material from November 14, 2011 & December 19, 2011 General Government Subcommittee meeting regarding itemizing Recycling on Utility bills.

**Contact Name and Number:**

William Mattingly, Public Works – Utilities Director, extension 5151

**CITY OF PEORIA**

# Solid Waste Program

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## Supplemental Information

**Public Works-Utilities**

**1/17/2012**

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**STAFF - COUNCIL SUBCOMMITTEE  
COMMUNICATION**

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**DATE:** November 10, 2011  
**TO:** Carl Swenson, City Manager  
**FROM:** Susan K. Thorpe, Deputy City Manager *SKT*  
**SUBJECT:** Solid Waste Services

---

**Background:**

The City of Peoria provides Solid Waste services for residential and commercial customers. As discussed during the October 28 Budget Workshop, there are policy issues that staff would like Subcommittee and City Council input on in order to develop the FY 2013 budget.

**Previous Actions:**

The City Council discussed Residential and Commercial Solid Waste services and rates at the Budget Workshop on October 28. The Council consensus at that time was to assign the solid waste policy issues discussion to the Public Services Subcommittee.

**Options:**

Options will be developed as policy discussion progresses.

**Staff's Recommendation:**

Staff will present policy options for discussion by the Subcommittee beginning in December. These will be provided in two separate parts in order to ensure clear delineation of policy issues and options. The first area of policy discussion will be Residential Solid Waste, followed by Commercial Solid Waste.

**Fiscal Analysis:**

Fiscal impacts, if any, will be determined after subcommittee discussion.

**Exhibit(s):**

None

**Contact Name and Number:** Susan K. Thorpe, ext 7318

**STAFF - COUNCIL SUBCOMMITTEE  
COMMUNICATION**

---

**City Manager's Office Use:**

Date of receipt:

Policy issue: Yes  No  if denied, explain \_\_\_\_\_

---

Subcommittee assignment: *Public Services*

Transferred to Subcommittee Staff Liaison on: *11/11/11*

Subcommittee agenda date:

Subcommittee Action:

No further action

Study session referral

Regular agenda referral

City Manager referral

Residential Solid Waste  
Rate Analysis

**Current:**

Existing Rate\* = \$15.06

Potential for up to 13% rate reduction

**Staff Recommendation:**

13% rate reduction (No changes to existing services)

New rate\* = \$13.10 (\$1.96 per month reduction)

**Alternative Example Option:**

10% rate reduction

\$300,000 available for new services

New rate\* = \$13.55 (\$1.51 per month reduction)

---

Residential Solid Waste  
Estimated Optional Service Costs

**A. Bulk Trash Pickup**

- Additional Cost for twice a year Bulk Trash Service = \$ 251,400
- Additional Cost for four times per year Bulk Trash Service = \$ 694,910

**B. Hazardous Household Waste Events**

- Cost for per additional event at the MOC \$ 41,500
- Cost for per additional event in north Peoria \$ 50,000<sup>(1)</sup>

(1) There are additional set-up, and logistical support costs to host a collection event at a location outside the MOC (additional costs = \$8,500).

**C. Green Waste Program**

- Currently the City of Mesa is the only City in the Valley which provides green waste collection. They provide an additional barrel and separate collection for green waste at an **additional charge of \$5.31**
  - Mesa takes their green waste the Salt River Landfill for Processing into mulch
  - The Salt River Landfill sells to vendors who package it up and resell it to home improvement and garden stores.
  - No existing facilities in the west valley which recycles green waste. Without such facility all green waste ends up in the landfill.
  - Staff has been coordinating with Waste Management on sources to reuse green waste and will continue to look for locations to receive this material.
-

**D. Same Day Recycling and Trash Collection**

- Currently City of Glendale is the only municipality that does this. City of Phoenix is in the process of studying the implementation of a program.
  - Will require complete reconfiguration of all Solid Waste routes and will change the day of service for each resident.
  - New routing software (as part of our existing budget approved by Council) is anticipated to be operational by the end of this fiscal year.
  - Staff will use this software to design and evaluate new routes in order to determine the cost impact and challenges associated with this change.
  - Staff's recommendation that that this proposed change be brought back to Subcommittee for consideration in the fall of 2012 with all of the analysis results
  - If approved, staff would be ready to implement in FY2014.
-

Residential Solid Waste  
Cost of Service Allocation

<u>Service Description</u>	<u>FY2012 Cost Allocation</u>
Residential Collection	
• Trash Collection	\$4,551,304
• Bulk Trash	\$ 282,407
• HHW	\$ 125,031
• Container Maintenance	\$ 76,828
• Other Services	\$ 64,107
<b>Total Residential Collection:</b>	<b><u>\$5,099,677</u></b>
Special Haul	
• Special Haul	\$ 171,558
Recycling	
• Recycling Collection	\$1,835,760
• Container Maintenance	\$ 77,319
<b>Total Recycling Service:</b>	<b><u>\$1,913,079</u></b>
<b>Total Residential Solid Waste</b>	<b><u>\$7,184,314</u></b>

## Residential Solid Waste Recommendations

### **Staff Recommendation:**

Staff recommends that the Subcommittee make a recommendation to the full Council  
As follows:

1. Reduce the rates for Residential Solid Waste by 13% from \$15.06 to \$13.10  
(total reduction of \$1.96)

### **Sub-Committee Recommendation**

The Subcommittee has made the following recommendation to the full Council for  
consideration:

1. Reduce the rates for Residential Solid Waste by 13% from \$15.06 to \$13.10  
(total reduction of \$1.96).
-

Residential Solid Waste Service										
City	Monthly Rate	Trash	Recycling	Bulk Trash	Christmas Tree Collection	Green waste	Household Hazardous Waste	Home Composting	Notes	11/22/2011
Peoria	\$ 15.06	one day per week	one day per week	1 time per year	drop off	no	3 drop-off events per year	no		
Scottsdale	\$ 16.00	one day per week	one day per week	monthly	drop off	no	3 drop-off events per year	\$40 to buy container		
Phoenix	\$ 26.85	one day per week	one day per week	4 times per year	drop off	no	drop-off once per month	\$5 to buy an old container		
Glendale	\$ 16.30	Trash and recycle on same day	Trash and recycle on same day	monthly	drop off	no	first-come, curbside 2 times/ year, vendor collects and takes to landfill.	yes, recycled containers, do not advertise	Glendale charges an additional \$13.35 for not participating in recycling	
Chandler	\$ 15.07	one day per week	one day per week	once per 6-weeks by appointment	drop off	no	by appointment	Free recycled container		
Mesa	\$23.88	one day per week	one day per week	no free collection - \$19.99 by appt w/restrictions	Drop off - free; Curbside - \$19.99 (not recycled)	\$5.51 per month	3 per year - drop off	yes - \$5 deposit, recycled container	Greenwaste taken to Salt River Landfill. A processing fee is paid, the landfill converts it into mulch which they then sell to their vendors who package it up and resell it to home improvement and garden stores	
Surprise	\$16.63	one day per week	one day per week	by appointment, up to 2 times per year	drop off		2 per year - drop off			

## STAFF - COUNCIL SUBCOMMITTEE COMMUNICATION

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**DATE:** December 13, 2011  
**TO:** Carl Swenson, City Manager  
**FROM:** William Mattingly, Public Works - Utilities Director  
**THROUGH:** Susan K. Thorpe, Deputy City Manager  
**SUBJECT:** Commercial Solid Waste Services

---

**Background:**

Staff will present information regarding the Commercial Solid Waste Program for discussion and possible action by the Public Services Subcommittee. The Subcommittee discussed Residential Solid Waste at the December 1, 2011 meeting. Public Works – Utilities, Management & Budget and Finance Departments have completed an initial review of the financial conditions within the City's Solid Waste Service Division.

A memorandum dated October 5, 2011 was provided to Council for general information related to the City's Solid Waste program and an upcoming rate study. Staff referred to this memorandum during a briefing about the Solid Waste program at the recent (October 28, 2011) Council workshop. At that time Council forwarded this issue to the Council Public Services Subcommittee for discussion and recommendation.

Staff will use the Subcommittee and subsequent Council Study Session discussions to develop program and rate proposals for Council consideration during the 2013 budget process.

The Commercial Solid Waste operation provides trash collection service to approximately 375 accounts citywide, 210 of which are businesses. The Solid Waste division competes with a number of private waste collection companies for general business customers. Apartment complexes make up the next largest category, followed by government and schools. Peoria City ordinance requires multi-family developments (apartments) to use City Solid Waste services.

The Commercial division also provides roll-off collection services to businesses, residents and government accounts (including the Butler Water Reclamation Facility), and serves approximately 45 accounts monthly.

Commercial Solid Waste rates were last adjusted in January 2009. At that time there were no Commercial Recycling customers, so the rates adopted did not account for this service.

## STAFF - COUNCIL SUBCOMMITTEE COMMUNICATION

### Operational Changes

The Commercial Collection Division budget increased a total of \$430,000 over the last four years, from \$1.73 million in FY 2008 to \$2.16 million in FY 2012. This is due to the fact that the Commercial Division began providing roll-off service for the City's Butler Water Reclamation Facility (WRF) in July of 2008. The Commercial Division also provides roll-off dumpster service to contractors, government customers, City sponsored events, and homeowners who need large containers for construction debris, remodeling or other clean-up projects. At this time revenues from the roll-off service are sufficient to meet expenditures and it is not necessary to adjust rates for these services in the near term. Staff will continue to evaluate this on an annual basis.

The number of Commercial customers declined 18% between FY 2008 and FY 2011 (from 356 accounts to 292 accounts). At the same time, the number of multi-family customers increased from 69 accounts in FY 2008 to 77 accounts in FY 2011. As a result, total revenues have declined from \$1,703,000 in FY 2008 to \$1,640,000 in FY 2011 (3.7% revenue reduction). As in the General Fund, personnel costs related to required state retirement payments and health insurance premiums have increased for the past few years, and are projected to increase next year. Fuel prices are higher this year than last year.

The rate analysis prepared by staff projects the need for Commercial Solid Waste rates to increase 3% annually for FY2013 through FY2017 (for a total 15% over the five year forecast period) for the Commercial front load service only. This does not include Commercial Recycling Service costs.

### Implementation of Commercial Recycling

Following implementation of the Residential recycling program, City Council asked staff to explore the feasibility of offering recycling services to commercial customers. In 2009, this service was initially provided to municipal, school and multi-family customers at no additional cost. These customers (108 commercial accounts) were serviced by adjoining Residential Recycling routes. Beginning in 2011, the Solid Waste Division began to extend these services to an additional 23 business customers. The current Commercial Solid Waste rates do not cover the cost of recycling services. The needs of Commercial customers vary greatly and providing commercial recycling service is more complex than Residential recycling. When the City began the Residential Curbside Recycling program, services changed from twice a week trash collection to once a week trash collection and once a week recycling collection.

Each Commercial customer determines the number and size of containers and the frequency of service per week according to their own unique needs. In most cases, Commercial recycling customers have not reduced their trash collection frequency to adjust for recycling service. As a result, this requires additional service days for recycling without an offset in service days for trash collection. In addition, revenue collected from recyclables does not entirely offset cost of collection. Staff is proposing a monthly rate of \$25.00 for once a week recycled container service for Commercial

## STAFF - COUNCIL SUBCOMMITTEE COMMUNICATION

Recycling Service regardless of container size. Staff also recommends a monthly rate of \$50.00 for twice a week recycle service.

### Previous Actions:

Staff provided a briefing about the Solid Waste program at the October 28, 2011 Council workshop. At that time Council forwarded this issue to the Council Public Services Subcommittee. This is the first meeting of the Subcommittee regarding Commercial Solid Waste services.

### Options:

- A:** The Subcommittee could make recommendations to the full Council to:
1. Increase the rates for Commercial Solid Waste 3% annually for FY2013 through FY2017 (Total 15%) for the Commercial front load Service only (no rate adjustment for roll-off service is recommended at this time).
  2. Adopt a new rate for Commercial Recycling Service based on the following Table:

Container Size	Frequency Of Service Delivery	Rate
300-gal, 4YD, 6YD,8YD	1x per week	\$25.00
300-gal, 4YD, 6YD,8YD	2x per week	\$50.00

- B:** The Subcommittee could make recommendations to the full Council to increase the rates for Commercial Solid Waste 3% annually for FY2013 through FY2017 (Total 15%) for the Commercial front load Service only and discontinue Commercial Recycling Service.

### Staff's Recommendation:

Staff recommends that the Subcommittee make a recommendation to the full Council for Option A, as follows:

1. Increase the rates for Commercial Solid Waste 3% for the Commercial front load Service only in FY 2013 (no rate adjustment for roll-off service is recommended at this time). It is projected that additional future rate adjustments will be needed in FY 2014 through FY 2017.
2. Adopt a new rate for Commercial Recycling Service based on the following Table:

Container Size	Frequency Of Service Delivery	Rate
300-gal, 4YD, 6YD,8YD	1x per week	\$25.00
300-gal, 4YD, 6YD,8YD	2x per week	\$50.00

## STAFF - COUNCIL SUBCOMMITTEE COMMUNICATION

**Fiscal Analysis:**

The rate analysis conducted by Staff indicates that rate adjustments are necessary to ensure that revenues are sufficient to meet expenditure projections.

**Exhibit(s):**

**Exhibit 1:** Presentation Handouts

**Contact Name and Number:** William Mattingly, extension 5151

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**City Manager's Office Use:**

Date of receipt: 12-13-11

Policy issue: Yes  No  if denied, explain \_\_\_\_\_

---

Subcommittee assignment: Public Services

Transferred to Subcommittee Staff Liaison on: 12-13-11

Subcommittee agenda date:

Subcommittee Action:

No further action

Study session referral

Regular agenda referral

City Manager referral

## Commercial Solid Waste Existing Service

The Commercial Solid Waste Services are split into the following Categories

**Roll-off:** Refuse collection in 20, 30 and 40 yard sizes for larger projects such as remodeling, construction and yard cleanup. This Service is Available to both residents and commercial customers.

- Solids Handling – This Service utilizes large containers to transport Solids generated from the Butler and Jomax Water Reclamation Facilities.
- Other Roll-Off – This Service utilizes large containers to collect material from various city departments as part of their daily operation or for special events (e.g. neighborhood pride)

**Front Loader:** Commercial trash collection serving any size business, with single or multi-weekly collection utilizing metal bins ranging in size from 2 yards to 8 yards.

- Multi-Family Service – This Service utilizes metal bins for multifamily facilities based on availability of space.
- Commercial Businesses – This Services utilizes metal bins for various businesses either individually or shared with others based on business location and type
- Governmental Facilities – This service utilizes metal bins for various city facilities and public schools.

**Recycling:** Commercial recycling service is currently offered to governmental facilities and limited businesses. As such collection of recyclables is primarily comprised of cardboard and paper. The Service utilizes 300-gal containers or metal bins ranging in size from 2 yards to 8 yards.

- Governmental Facilities- This Services provides recycling service for City buildings, libraries, parks, sports complex.
  - Commercial Businesses – This Services provides recycling service for Schools, churches, independent small to large stores, offices and general businesses.
-

**Existing Rate Structure:**

- ❖ Roll-off Solid Waste Collection Service :
    - Solids Handling = \$155/pull  
Additional Disposal Fee paid for directly to the Material Handling facility by the Wastewater fund.
    - Other Roll-Off = \$195/pull  
Additional disposal fee per Ton is charged to each customer based on actual tonnage disposed.
  
  - ❖ Front Loader Solid Waste Collection Service: refer to **Page 15**
  
  - ❖ Recycling Collection Service: There is no separate fee for the Recycling Collection Service
-

**City of Peoria  
Solid Waste Rates  
Effective January 2, 2009**

**Commercial Services**

Container Size	Number of Pickup per Week	Monthly Rate
<b>2 Cubic Yard</b>	1 Time/Week	\$ 60.62
	2 Times/Week	\$ 94.48
	3 Times/Week	\$ 139.04
	4 Times/Week	\$ 183.60
	5 Times Week	\$ 228.16
	6 Times/Week	\$ 272.72
	7 Times/Week	\$ 328.43
<b>3 Cubic Yard</b>	1 Time/Week	\$ 64.47
	2 Times/Week	\$ 103.63
	3 Times/Week	\$ 152.73
	4 Times/Week	\$ 201.81
	5 Times Week	\$ 250.91
	6 Times/Week	\$ 300.00
	7 Times/Week	\$ 361.38
<b>4 Cubic Yard</b>	1 Time/Week	\$ 68.37
	2 Times/Week	\$ 112.85
	3 Times/Week	\$ 166.47
	4 Times/Week	\$ 220.09
	5 Times Week	\$ 273.71
	6 Times/Week	\$ 327.34
	7 Times/Week	\$ 394.34
<b>6 Cubic Yard</b>	1 Time/Week	\$ 76.14
	2 Times/Week	\$ 131.20
	3 Times/Week	\$ 193.90
	4 Times/Week	\$ 256.59
	5 Times Week	\$ 319.27
	6 Times/Week	\$ 381.97
	7 Times/Week	\$ 460.34
<b>8 Cubic Yard</b>	1 Time/Week	\$ 83.86
	2 Times/Week	\$ 149.48
	3 Times/Week	\$ 221.25
	4 Times/Week	\$ 293.01
	5 Times Week	\$ 364.74
	6 Times/Week	\$ 436.50
	7 Times/Week	\$ 526.22

**Misc. Commercial**

	\$ 35.00
Container Steam Cleaning	\$ 55.00
Container Painting	\$ 70.00
Handling Gates and Pullouts of Conts.	\$ 3.00
Locking Devices	\$ 5.00
Casters	\$ 6.00
Roll-Off Dry Runs (cont is not ready)	\$ 35.00
Roll-Off Unloads (overloaded conts)	\$ 35.00

**Compactors**

<b>4 Cubic Yard</b>	1 Time/Week	\$ 148.38
	2 Times/Week	\$ 285.36
	3 Times/Week	\$ 422.33
	4 Times/Week	\$ 559.31
	5 Times Week	\$ 696.29
	6 Times/Week	\$ 833.27
	7 Times/Week	\$ 1,004.50
<b>6 Cubic Yard</b>	1 Time/Week	\$ 168.40
	2 Times/Week	\$ 323.25
	3 Times/Week	\$ 478.11
	4 Times/Week	\$ 632.96
	5 Times Week	\$ 787.81
	6 Times/Week	\$ 942.67
	7 Times/Week	\$ 1,136.25
<b>8 Cubic Yard</b>	1 Time/Week	\$ 187.70
	2 Times/Week	\$ 360.43
	3 Times/Week	\$ 533.16
	4 Times/Week	\$ 705.89
	5 Times Week	\$ 878.62
	6 Times/Week	\$ 1,051.36

**Roll-Offs**

20 yards	\$25	22 ft long and 3 ft high	\$ 195.00
30 yards	\$35	22 ft long and 5 ft high	
40 yards	\$45	22 ft long and 7 ft high	
		Fee per Ton	\$ 28.00

Commercial Solid Waste  
Cost of Service Allocation

Service Description	FY2012 Cost Allocation
Commercial Collection Roll-off: -	
• Solids Handling <sup>(1)</sup>	\$ 217,250
• Other Roll-Off	\$ 241,903
<b>Subtotal – Roll-Off :</b>	<b>\$459,153</b>
Commercial Collection Front Loader -	
• Multi-Family Service	\$ 759,809
• Commercial Businesses	\$ 908,884
<b>Subtotal - Commercial Collection:</b>	<b>\$1,668,693</b>
Commercial Recycling Collection -	
• All Customers	\$ 290,024
<b>Subtotal - Commercial Recycling Collection:</b>	<b>\$290,024</b>
<b>Total Commercial Solid Waste:</b>	<b>\$2,417,870</b>

(1) Cost allocations do not include Disposal and container maintenance as these are paid for directly by the Wastewater Fund.

## Commercial Solid Waste Recommendations

### Staff Recommendation:

Staff recommends that the Subcommittee make a recommendation to the full Council As follows:

1. Increase the rates for Commercial Solid Waste 3% for the Commercial front load Service only in FY 2013 (no rate adjustment for roll-off service is recommended at this time). It is projected that additional future rate adjustments will be needed in FY 2014 through FY 2017.
2. Adopt a new rate for Commercial Recycling Service based on the following Table:

Container Size	Frequency Of Service Delivery	Rate
300-gal, 4YD, 6YD,8YD	1x per week	\$25.00
300-gal, 4YD, 6YD,8YD	2x per week	\$50.00

### Sub-Committee Recommendation

The Subcommittee has made the following recommendation to the full Council for consideration:

1. Increase the rates for Commercial Solid Waste 3% for the Commercial front load Service only in FY 2013 (no rate adjustment for roll-off service is recommended at this time). It is projected that additional future rate adjustments will be needed in FY 2014 through FY 2017.
2. Create a rate for Commercial Recycling Service based on the following Table:

Container Size	Frequency Of Service Delivery	Rate
300-gal, 4YD, 6YD,8YD	1x per week	\$25.00
300-gal, 4YD, 6YD,8YD	2x per week	\$50.00

---

## Landfill Tipping Fee and Recycling Revenue Summary

### Recycling Program Revenues

	Current Revenue		Proposed Revenue		Changes in Revenue
	FY 2011 Tons	\$/ Ton	Estimated Tons	\$/ Ton	
Waste Management	N/A	N/A	10,000	\$56.00	\$560,000
Phoenix	16,628	\$31.67	6,628	\$50.00	(\$195,204)
Glendale	N/A	N/A	N/A	0.00	N/A
<b>Total</b>	<b>16,628</b>		<b>16,628</b>		<b>\$364,796</b>

Additional revenue

### Landfill Program Fees

	Current Fees		Proposed Fees		Changes in Fees
	FY 2011 Tons	\$/ Ton	Estimated Tons	\$/ Ton	
Waste Management	68,545	\$22.31	63,745	\$22.31	\$107,088
Phoenix	N/A	N/A	N/A	N/A	N/A
Glendale	N/A	N/A	4,800	\$25.00	(\$120,000)
<b>Total</b>	<b>68,545</b>		<b>68,545</b>		<b>(\$12,912)</b>

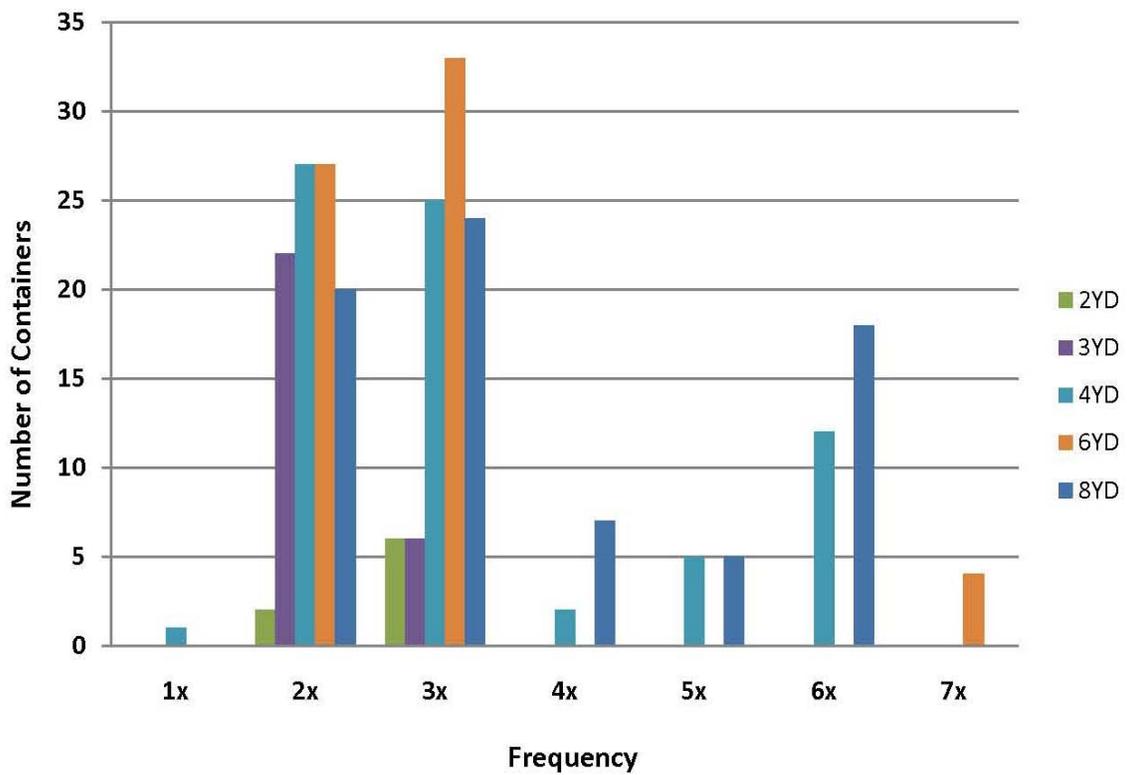
Direct Cost Increase<sup>(6)</sup>

**Net Change in Program costs**      **\$351,884**      Additional revenue

**NOTES:**

1. Phoenix Recycling rate is a blended rate which varies monthly
2. Waste Management Tipping Fee is \$18.39 at the Northwest Regional Landfill
3. Waste Management Tipping Fee is \$23.06 at the Deer Valley Transfer Station
4. Waste Management has a \$1.22 Fuel surcharge for Deer Valley Transfer Station
5. Glendale's Recycling Facility does not accept glass
6. Direct Costs only reflect costs related to Landfill fees. Additional savings will be realized due reduced operational costs

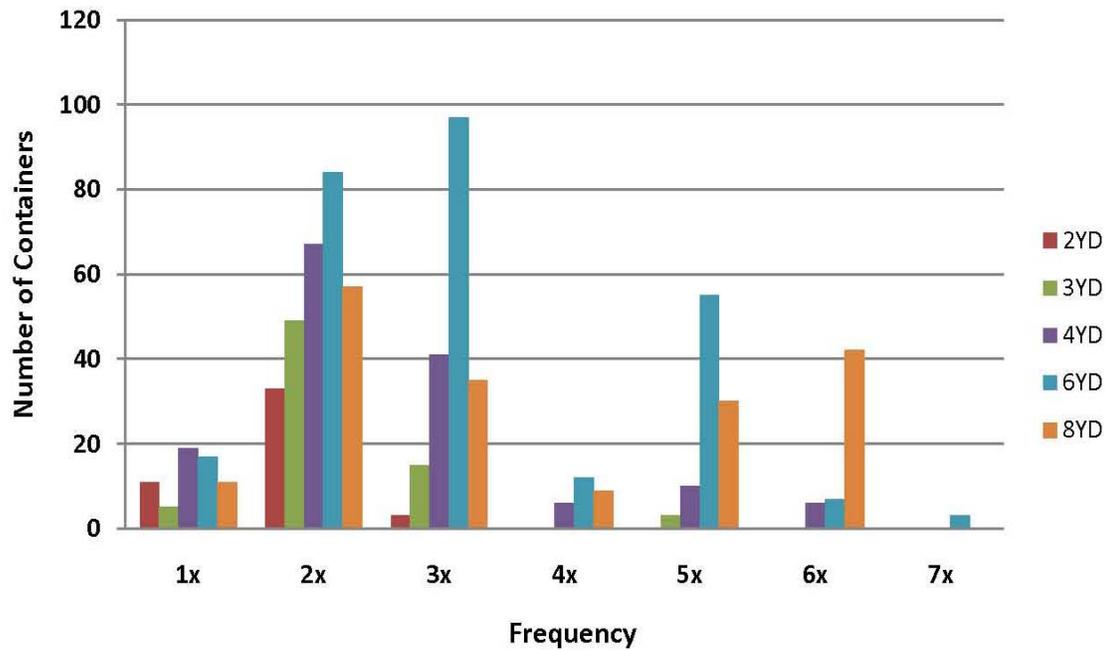
### Multi-Family



### MULTI-FAMILY

Container Size/ Frequency	1x	2x	3x	4x	5x	6x	7x	Total
<b>2YD</b>		2	6					<b>8</b>
<b>3YD</b>		22	6					<b>28</b>
<b>4YD</b>	1	27	25	2	5	12		<b>72</b>
<b>6YD</b>		27	33				4	<b>64</b>
<b>8YD</b>		20	24	7	5	18		<b>74</b>
<b>Total</b>	<b>1</b>	<b>98</b>	<b>94</b>	<b>9</b>	<b>10</b>	<b>30</b>	<b>4</b>	<b>246</b>

### Commercial (excluding multi-family)



### Commercial

Container Size/ Frequency	1x	2x	3x	4x	5x	6x	7x	Total
2YD	11	33	3	0	0	0	0	47
3YD	5	49	15	0	3	0	0	72
4YD	19	67	41	6	10	6	0	149
6YD	17	84	97	12	55	7	3	275
8YD	11	57	35	9	30	42	0	184
<b>Total</b>	<b>63</b>	<b>290</b>	<b>191</b>	<b>27</b>	<b>98</b>	<b>55</b>	<b>3</b>	<b>727</b>

# COUNCIL SUBCOMMITTEE ON PUBLIC SERVICES

December 01, 2011

- Follow-up From October 28 Workshop
- Residential Solid Waste Program
- Service Options and Rates

# Residential Solid Waste Program

## Agenda:

- Current Programs
- Landfill and Recycling Agreement Renewal
- Rate Analysis
- Potential Service Options

# Current Programs

- Trash and recycling collection (49,000 Residential Customers)
- Once a year bulk trash collection
- Christmas Tree disposal
- Household Hazardous Waste disposal (3 events / year)
- Special Haul (by appointment)

# Landfill and Recycling Agreement Renewal

- Landfill costs and revenue from recyclables are a major part of rates.
- There are several Landfills and Recycling centers near Peoria.
  - Phoenix
  - Waste Management
  - Glendale

# Rate Analysis

- Residential rate last adjusted in January 2009
- Current forecasts indicate revenues will exceed its operating expenditures over the next five years
- Opportunity to reduce rates
- Alternatively, evaluate service levels and new programs

# Potential Service Options

- Bulk Trash
  - More Frequent Collection service
  - Convert to an “on demand” schedule
- Household Hazardous Waste
  - More frequent events
  - Offer at other locations
  - Drop off points between events

# Potential Service Options (Cont.)

- Green Waste Program
- Same day Recycling and Trash Collection

# Summary

- Recommendations
  - Reduce rates by 13% (new rate \$13.10)
- Alternative
  - Subcommittee Service Option(s) Priority List
- Next Steps
  - Forward to Council Study Session

# Residential Solid Waste Service Summary

CITY	MONTHLY RATE	TRASH	RECYCLING	BULK TRASH	CHRISTMAS TREE COLLECTION	GREEN WASTE	HOUSEHOLD HAZARDOUS WASTE
Peoria	\$ 15.06	one day per week	one day per week	1 time per year	drop off	no	3 drop-off events per year
Scottsdale	\$ 16.00	one day per week	one day per week	monthly	drop off	no	3 drop-off events per year
Phoenix	\$ 26.85	one day per week	one day per week	4 times per year	drop off	no	drop-off once per month
Glendale	\$ 16.30	Trash and recycle on same day	Trash and recycle on same day	monthly	drop off	no	first-come, curbside 2 times/year, vendor collects and takes to landfill.
Chandler	\$ 15.07	one day per week	one day per week	once per 6-weeks by appointment	drop off	no	by appointment
Mesa	\$23.88	one day per week	one day per week	no free collection - \$19.99 by appt w/restrictions	Drop off - free; Curbside - \$19.99 (not recycled)	\$5.51 per month	3 per year - drop off
Surprise	\$16.63	one day per week	one day per week	by appointment, up to 2 times per year	drop off		2 per year - drop off

# Residential Solid Waste Service Summary – Cont.

CITY	HOME COMPOSTING	NOTES
Peoria	no	
Scottsdale	\$40 to buy container	
Phoenix	\$5 to buy an old container	
Glendale	yes, recycled containers, do not advertise	Glendale charges an additional \$13.35 for not participating in recycling
Chandler	Free recycled container	
Mesa	yes - \$5 deposit, recycled container	Green waste taken to Salt River Landfill. A processing fee is paid, the landfill converts it into mulch which they then sell to their vendors who package it up and resell it to home improvement and garden stores
Surprise	no	

# COUNCIL SUBCOMMITTEE ON PUBLIC SERVICES

December 15, 2011

- Follow-up from October 28 Workshop
- Commercial Solid Waste Program

# Commercial Solid Waste Program

## Agenda:

- Current Programs
- Existing Rate Structure
- Rate Comparisons
- Rate Recommendations

# Current Programs: Roll-off Service

- Butler WRF Solids Handling
- Construction – Remodeling debris disposal



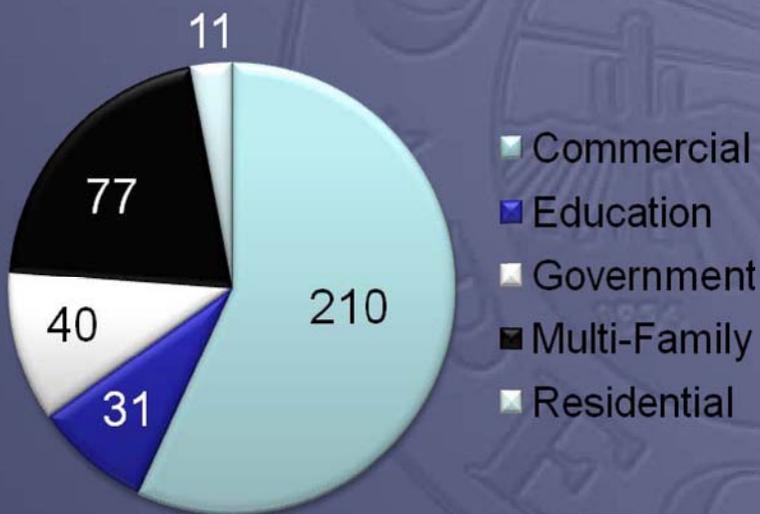
# Current Programs: Front Loader Service

- Multi-Family Customers
- Commercial Businesses
- Governmental Facilities

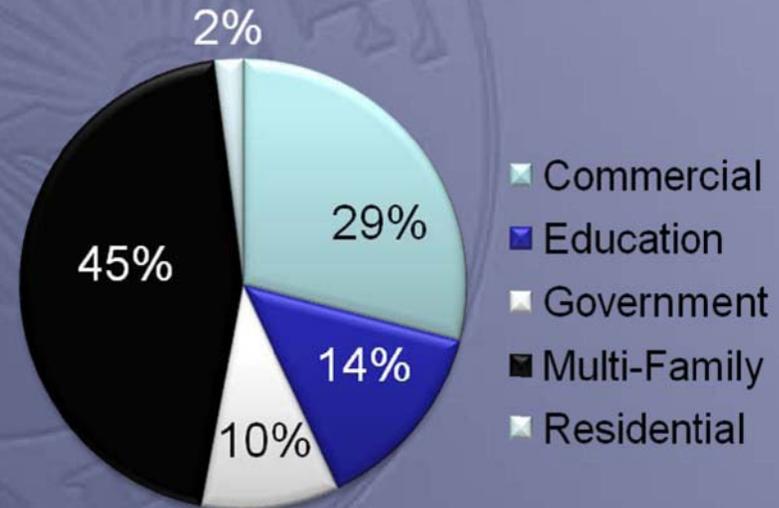


# Current Programs: Front Loader Customer Profiles

Number of Customers



Percentage of Revenues



# Current Programs: Recycling Services

- Governmental Facilities
- Other Customers



# Current Programs: Recycling Services

- Customizing service for Unique Needs



# Existing Rate Structure

- Roll-off Solid Waste Collection Service:
  - Butler WRF Solids Handling  
\$155 per service (Landfill paid directly by Utilities)
  - Construction / Remodeling Other Roll-Off

Size	Monthly Fee	Service Fee	Tipping Fee
20 yard	\$25	\$195	\$28/ton
30 yard	\$35	\$195	\$28/ton
40 yard	\$45	\$195	\$28/ton

# Existing Rate Structure

- Front Loader Solid Waste Collection Service:
  - Based on container size and frequency of service
- Recycling Service:
  - No additional fee

# Front Loader Service Rate Comparisons

<b>Container Size</b>	<b>Service Per Week</b>	<b>Peoria</b>	<b>Glendale</b>	<b>Tempe</b>
4 yard	1	\$ 68	\$ 49	\$ 61
6 yard	2	\$ 131	\$120	\$135
6 yard	3	\$ 194	\$ 171	\$ 203
8 yard	4	\$ 293	\$ 312	\$ 306
8 yard	6	\$ 437	\$ 471	\$ 459

# Sample Monthly Costs for Multi-Family Service

Property Name	No. of Units	SW Service Billing	Cost/Unit
Apartments A	159	\$1,551.00	\$9.75
Apartments B	112	\$2,132.90	\$19.04
Apartments C	80	\$3,149.40	\$39.37
Apartments D	108	\$1,368.55	\$12.67
Apartments E	299	\$1,837.00	\$6.14
Apartments F	100	\$988.00	\$9.88
Apartments G	159	\$564.00	\$3.55
Apartments H	152	\$1,273.00	\$8.38
Apartments I	170	\$2,133.00	\$12.55
Apartments J	175	\$1,388.00	\$7.93
Apartments K	127	\$543.00	\$4.28
Mobile Home Park A	91	\$394.00	\$4.33
<b>12 Properties Sampled (Median Cost)</b>		<b>\$1,378.28</b>	<b>\$9.06</b>

Range of Costs per Unit:  
\$3.55 low  
\$39.37 high

# Rate Recommendations

- Increase rates 3% for the Commercial front load Service FY 2013.
  - Additional rate adjustments will be needed in FY 2014 through FY 2017.
  - No rate adjustment for roll-off service is recommended at this time
- Adopt a new rate for Commercial Recycling Service based on the following Table:

Container Size	Frequency Of Service Delivery	Rate
300-gal, 4YD, 6YD,8YD	1x per week	\$25.00/Month
300-gal, 4YD, 6YD,8YD	2x per week	\$50.00/Month

# Summary

- Recommendations
  - Increase Commercial Front Load Service Rate by 3% annually
  - Create a new rate for Commercial Recycling
- Option
  - Increase Commercial Front Load Service Rate by 3% annually
  - Discontinue Commercial Recycling
- Next Steps
  - Forward to Council Study Session Rate for the Recycling Service

**MAYOR AND COUNCIL  
SUBCOMMITTEE AGENDA ITEM  
REQUEST FORM**

---

**DATE:**

**TO:** Carl Swenson, City Manager

**FROM:** Dave Pearson

**SUBJECT:** Itemizing Utility Bill

---

**1. Provide a description of the agenda item.**

Change the current utility bill to show an itemized billing for residential garbage and residential recycling.

**2. Explain the policy issue related to the agenda item.**

Although this issue was referred to at a General Government Subcommittee meeting it was packaged with a discussion of rate changes and allowing residents to opt out of the city mandated recycling program. As a result the topic of itemizing was not discussed. I would like to discuss this issue on its own merits. (Please see attachment).

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**City Manager's Office Use:**

Date of receipt: 15 Nov 11

Policy issue: Yes  No  If denied, explain \_\_\_\_\_

---

Subcommittee assignment: General Government

Transferred to subcommittee staff liaison on: 15 Nov 11

Subcommittee agenda date:

Subcommittee action:

- No further action
- Study session referral
- Regular agenda Action
- City Manager Action

Tracking # 33

## Communication to General Government Subcommittee

TO: General Government Subcommittee

FROM: Councilman Dave Pearson

THROUGH: Carl Swenson

SUBJECT: Itemizing Residential Garbage and Residential Recycling on Customer Utility Bills

### BACKGROUND:

On Nov. 14, 2011 the General Government Subcommittee chose not to discuss a request to change the Customer Utility Bill format. The request was to itemize the current "Residential Garbage" charge to show "Residential Garbage" AND "Residential Recycling" charges. Unfortunately the narrow discussion of changing the bill format was packaged into a broader discussion of possible solid waste rate and/or service changes and whether or not recycling services should be optional. Although these interesting topics deal with solid waste collection services, they are unrelated to a change in the utility bill format. The discussion of possible solid waste rate and service changes will be discussed by the Public Services Subcommittee. The discussion of a change in the format of the Customer Utility Bill is a topic for the General Government Subcommittee. Therefore, I request that the topic of a utility bill format change be discussed separately and without undue delay per council policy.

### HISTORY:

Months previously, Councilman Pearson verbally requested to Carl Swenson and Brent Mattingly that the city consider itemizing Residential Garbage and Residential Recycling charges on Customer Utility Bills. Originally the topic was to be brought up as a report from the city manager during a regular council meeting. Subsequently, however, the request was determined by the city manager to be a policy matter and was submitted as an agenda item for subcommittee review.

ISSUE:

The City Council reviews and publishes an annual city budget. It is available to the public on the city Website. That budget lists a Residential Collection Division which includes a line item budget for both Residential Garbage and Residential Recycling services. In addition, the budget itemizes the number of employees each for Garbage and Recycling services and assigns administrative and capital costs to both Residential Garbage and Residential Recycling services.

The Council approved this budget itemization of Residential Garbage and Residential Recycling services to more clearly and accurately show the costs of these city services. It is a Council goal to encourage transparency in government. The Council would, therefore, want to increase transparency in its Customer Utility Bill.

Currently the city itemizes the following charges on its Customer Utility Bill: *Water Charges, Sewer Charges, EPA Charges, Storm Water Charge, State Water Resource Fee, Sales Tax on Water, State Water Quality Tax and Residential Garbage.* This itemization of customer charges was intended to foster a clear understanding of the costs of government services.

Since the city divides its Residential Collection budget into Residential Garbage and Residential Recycling and can determine the cost of both services, it would follow that the city would want to share that information with its utility customers. This enhances government transparency and trust. Our customers should be aware of the true costs of Residential Garbage and Residential Recycling services.

Clearly, the current Customer Utility Bill line-item "Residential Garbage" is inaccurate. The correct line items should be "Residential Garbage" and "Residential Recycling".

Therefore, it is requested that the Customer Utility Bill format be changed to reflect the more accurate and transparent cost of services for Residential Garbage and Residential Recycling.

ADVANTAGES:

- The Customer Utility Bill will reflect the true cost of government services.
- Government transparency and trust will be fostered.
- Residential customers will clearly see that recycling collection costs less than garbage collection which will encourage residents to recycle more.

STAFF COMMENTS (*and Councilman Pearson's Responses*):

STAFF COMMENT: (From Nov. 14 General Government meeting information packet)

If Council desires to modify the monthly utility bill format, staff would work with our utility billing software vendor (Harris), bill printing/ mailing vendor (Source Corp), and our Information Technology Department to enact system changes and billing modifications to divide the current solid waste charge into two separate line items - solid waste service and recycling service. This will require adjusting the charges on approximately 50,000 residential solid waste accounts. Based on past work with the vendor on other billing format projects, staff estimates an approximate cost of \$2,500 to \$5,000 to modify the information systems to accommodate this change.

RESPONSE:

*Staff made a utility bill format change in July 2011 by adding a new line item charge for a "State Water Resources Fee". This was done to make the Customer Utility Bill more accurate and transparent. The Council agreed that this improved transparency was advisable.*

*The requested new utility bill format would list a line item charge each for "Residential Garbage" and "Residential Recycling". The true cost of these services has already been accounted for in the annual budget. The financial impact of this change is minor.*

STAFF COMMENT: (From Nov. 14 General Government meeting information packet)

Generally, any changes to customer utility bills generate an increase in customer inquiries and telephone calls to our Customer Service Call Center. A change to the monthly billing format will require communication with our customers, likely through a bill message or insert designed to answer customer questions.

RESPONSE:

*This is a normal and usual outcome when changes are made. There should be no more inquiries for this change than the July 2011 change. Fielding such inquiries is a normal part of government operations.*

STAFF COMMENT: (From Nov. 14 General Government meeting information packet)

The change in their billing format may create a perception that the city is now charging for recycling service. The message can help assure customers that there is no net increase to their monthly bill. In addition, some customers may request the discontinuance of their recycling service and monthly charge."

RESPONSE:

*City Residential Garbage and Recycling services are mandated by city ordinance. An update in the Customer Utility Bill format will not change this but it will make the true cost of government more transparent. The reality is that the city DOES charge residential customers for recycling services. Currently recycling costs are listed as "Residential Garbage" costs. This is inaccurate. Why would we not want our customers to know the true cost of city services? Isn't government transparency our goal?*

CONCLUSION:

- The requested change in Customer Utility Bill format would NOT change Residential Garbage or Recycling services in any way.
- The requested change would NOT affect rates to customers.
- The requested change has minimal financial impact.
- The requested change will make our city government more transparent and reflect the true cost of government services.
- The requested change will encourage more recycling.

**COUNCIL SUBCOMMITTEE ON GENERAL GOVERNMENT  
STAFF COMMUNICATION**

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**DATE:** October 13, 2011

**TO:** Carl Swenson, City Manager

**FROM:** Brent Mattingly, CFO/Finance Director

**THROUGH:** Susan Thorpe, Deputy City Manager

**SUBJECT:** Format of Customer Utility Bills

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**Background:**

This is a request for the City Council Subcommittee on General Government to discuss whether to recommend changing the format of the monthly customer utility bills to separately indicate the charge for the residential curbside recycling program. During prior budget discussions this item was requested for discussion by Councilmember Pearson.

Most recently, at their October 28, 2011 Budget Workshop, staff gave a presentation regarding residential and commercial solid waste services and potential rate adjustments. Council discussed a number of alternatives and requested that staff present further information to the applicable Council Subcommittee. After consideration by that Council Subcommittee the full Council will discuss solid waste services and rates in a Council Study Session.

In 2007 the city council approved implementation of a residential curbside recycling program. Recycling helps reduce landfill costs, generates revenue, and minimizes the impact of solid waste on the environment. State and County solid waste service regulations require twice a week solid waste service to our residents. To meet this requirement the city provides one refuse pickup and one recycling pickup each week.

Over the past few years the subject has been raised regarding the format of the monthly utility bill the city sends to its residential customers. It has been requested that staff indicate the cost of recycling service as a separate charge from the cost of refuse (trash) service.

The current city utility bill includes itemized charges for solid waste, water, and wastewater services along with applicable taxes and fees. If Council desires to modify the monthly utility bill format, staff would work with our utility billing software vendor (Harris), bill printing/mailing vendor (Source Corp), and our Information Technology Department to enact system changes and billing modifications to divide the current solid waste charge into

**COUNCIL SUBCOMMITTEE ON GENERAL GOVERNMENT  
STAFF COMMUNICATION**

two separate line items – solid waste service and recycling service. This will require adjusting the charges on approximately 50,000 residential solid waste accounts. Based on past work with the vendor on other billing format projects, staff estimates an approximate cost of \$2,500 to \$5,000 to modify the information systems to accommodate this change. Generally, any changes to customer utility bills generate an increase in customer inquiries and telephone calls to our Customer Service Call Center. A change to the monthly billing format will require communication with our customers, likely through a bill message or insert designed to answer customer questions. The change in their billing format may create a perception that the city is now charging for recycling service. The message can help assure customers that there is no net increase to their monthly bill. In addition, some customers may request the discontinuance of their recycling service and monthly charge.

Staff conducted a survey of how twelve other valley cities format their monthly utility bills. All twelve cities surveyed offer recycling service. For informational purposes, none of those other cities show the recycling cost as a separate charge.

In order to calculate separate charges, administrative cost centers would be allocated appropriately between the various solid waste services provided by the city. As a preliminary estimate, Management & Budget Department staff estimate the current monthly solid waste charge of \$15.06 would be allocated approximately as follows:

Approximate monthly solid waste service \$11.10 (73.7 %)  
Approximate monthly residential recycling service \$3.96 (26.3 %)

If Council ultimately directs staff to proceed with the billing format changes, staff will further analyze the costs and arrive at the final monthly cost that would be used for billing customers. These rates would then be brought back to Council for formal approval and adoption. Future changes to these rates would be reviewed as part of the annual utility rate setting process.

**Previous Actions:**

In April 2011 Councilmember Pearson requested that staff clarify the monthly city utility bill to show the cost of Residential trash collection and the cost of Residential Recycling collection. Councilmember Pearson indicated that he believes that this change would follow the concept of transparent government. City operating budgets include separate cost centers for regular trash collection and residential recycling collection.

**Options:**

- A:** Recommend modifying the monthly customer utility bill format to separately indicate the cost of residential trash collection and the cost of residential recycling collection. Recommend that this item be considered by the full Council as part of a

**COUNCIL SUBCOMMITTEE ON GENERAL GOVERNMENT  
STAFF COMMUNICATION**

larger Council Study Session on the review and discussion of solid waste services and rates.

- B:** Recommend modifying the monthly customer utility bill format to separately indicate the cost of residential trash collection and the cost of residential recycling collection.
- C:** Recommend retaining the current utility bill format showing a single, consolidated solid waste fee that encompasses both residential refuse and recycling collection.

**Staff's Recommendation:**

Staff recommends that the Council Subcommittee on General Government consider the above information and provide staff with the Subcommittee's recommendation regarding whether the format of the monthly residential utility bill should be modified to show a separate monthly charge for recycling service. Staff recommends that this item be discussed with the full City Council at a future Study Session encompassing a broader discussion of solid waste services, delivery options, and rates.

**Fiscal Analysis:**

Modification of the format of the utility bill would require the assistance of our utility billing software vendor (Harris), bill printing/mailing vendor (Source Corp), and Information Technology Department to enact the system changes and billing modifications to divide the current Solid Waste charge into two separate line items. As described above, staff estimates an approximate cost of \$2,500 to \$5,000 to modify the information systems to accommodate this change.

**Exhibit(s):**

**Exhibit 1:** Copy of Current Peoria Utility Bill

**Contact Name and Number:** Brent Mattingly x7134

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**City Manager's Office Use:**

Date of receipt: 10-13-11

Policy issue: Yes  No  If denied, explain \_\_\_\_\_

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Subcommittee assignment: General Gov't  
Transferred to Subcommittee Staff Liaison on: 10-18-11

Tracking # 001

**COUNCIL SUBCOMMITTEE ON GENERAL GOVERNMENT  
STAFF COMMUNICATION**

Subcommittee agenda date:

Subcommittee Action:

No further action

Study session referral

Regular agenda referral

City Manager referral



**CITY OF PEORIA, ARIZONA  
CITY MANAGER REPORT**

SS: #3

Date Prepared: March 1, 2012

Council Meeting Date: March 15, 2012

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**TO:** Carl Swenson, City Manager

**FROM:** Katie Gregory, Interim Management and Budget Director

**THROUGH:** Susan Thorpe, Deputy City Manager

**SUBJECT:** FY2013 Proposed Budget Presentation

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**Summary:**

City Manager Carl Swenson will be delivering the proposed FY2013 Budget to the Mayor and Council. The presentation will include an economic and financial overview, discuss the approaches taken in developing the proposed budget, as well as highlight key aspects of the spending plans.

The CIP and Operating Budgets will be reviewed at the City Council Budget Study Sessions scheduled on March 26 – 28 and March 30 if needed.

**Contact Name and Number:** Katie Gregory – 623-773-7364