



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

CITY COUNCIL SUBCOMMITTEE ON PUBLIC SERVICES REGULAR MEETING NOTICE & AGENDA

Thursday, January 19, 2012

5:00 P.M.

Pine Conference Room

CITY COUNCIL
SUBCOMMITTEE ON PUBLIC
SERVICES

CONVENE:
ROLL CALL:

CONSENT AGENDA

Chairperson

Ron Aames, Councilmember
Palo Verde District

Members

Carlo Leone, Councilmember
Pine District

Dave Pearson, Councilmember
Ironwood District

Staff Liaison

Susan Thorpe, Deputy City Manager

Liaison City Attorney's Office

Steve Burg, Chief Assistant City Attorney

CONSENT AGENDA: All items listed with "C" are considered to be routine or have been previously reviewed by the City Council Subcommittee on Public Services, and will be enacted by one motion. There will be no separate discussion of these items unless a City Council Subcommittee member so requests; in which event the item will be removed from the General Order of Business, and considered in its normal sequence on the Agenda.

CONSENT – New Business:

1C MINUTES:

Discussion and possible action to approve the minutes of December 15, 2011.

REGULAR AGENDA

2R MULTI-FAMILY SOLID WASTE SERVICES

Discussion and possible action to make recommendations to the entire City Council regarding the Multi-Family Solid Waste Services Ordinance.

Staff will present ordinance options for discussion and possible action.

***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.

3R FUTURE AGENDA TOPICS & NEXT MEETING DATE

Discussion of future agenda topics for the City Council Subcommittee on Public Services.

NOTE: Per Council Policy 1-10, no policy item will come forward unless submitted on the *Subcommittee Agenda Item Request Form*.

CALL TO THE PUBLIC: (Non-Agenda Items)

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

ADJOURNMENT

NOTES:

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

PUBLIC NOTICE:

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

**SUBCOMMITTEE ON
PUBLIC SERVICES
CITY OF PEORIA, ARIZONA
Pine Conference Room
December 15, 2011**

A meeting of the **Subcommittee on Public Services** for the City of Peoria, Arizona was convened by Chairman Ron Aames in open and public session at 8401 West Monroe, Peoria, Arizona, on December 15, 2011 at 5:00 p.m.

Members Present: Councilmember Ron Aames and Councilmember Dave Pearson,

Members Absent: Councilmember Leone

Staff Present: Carl Swenson, City Manager; Susan Thorpe, Deputy City Manager; Bill Mattingly, Public Works Director; Rhonda Humbles, Solid Waste Manager; Brenda Urias, Executive Assistant; Steve Burg, Chief Assistant City Attorney; and Terri Smith, City Council Assistant.

Audience: Approximately eight public and staff

NOTE: The order in which items appear in the minutes is not necessarily the order in which they were discussed in the meeting.

Consent Agenda

A motion was made by Councilmember Pearson, seconded by Chairman Aames to approve the consent agenda, and upon vote the motion carried unanimously 2 to 0.

REGULAR AGENDA

2R COMMERCIAL SOLID WASTE SERVICES

Staff outlined existing Commercial Solid Waste services and fees. Information was provided for roll off, front loader, and commercial recycling services.

Staff recommended a 3% fee increase for commercial front loader service in FY 13. A projected fee increase of 3% was discussed for FY 14 – FY 17. No rate increase was recommended for roll off service.

Staff also recommended the adoption of a rate for commercial recycling service. Currently there is no rate structure for commercial recycling service. Discussions led to a revision in the text of the recommendation, so as to indicate the creation of a commercial recycling rate where there was none previously.

Councilmember Pearson inquired about multi-family housing units being able to select their own commercial solid waste provider. Staff reported the City Code requires that the city be the provider for multi-family units.

Jake Hinman, representing the Arizona Multihousing Association, commented that their members are fully supportive of open selection of commercial solid waste service providers.

Alfred Gallegos, representing Republic Services, commented that commercial users need educational outreach in order to best utilize recycling.

Councilmember Pearson moved and Chairman Aames seconded a motion to recommend a commercial solid waste fee increase of 3%, and a change in the wording to reflect the establishment of a commercial recycling rate. Upon vote, the motion passed 2 to 0.

3R FUTURE AGENDA TOPICS & NEXT MEETING DATE

Ms. Thorpe reported that there are no further items currently waiting to come before the subcommittee. Should items be submitted to come before the Public Services Subcommittee, a meeting will be scheduled.

ADJOURNMENT:

There being no further business to come before the Council Subcommittee, the meeting was duly adjourned at 6:02 p.m.

Ron Aames, Chairperson

Terri Smith, City Council Assistant

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

DATE: 12/24/2011

TO: Carl Swenson, City Manager

FROM: Dave Pearson

SUBJECT: Change in city ordinance regarding multi-family solid waste service.

1. Provide a description of the agenda item.

Review the current ordinance requiring multi-family units to contract for city-provided commercial solid waste services.

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

Currently multi-family units are required by ordinance to contract with the city for commercial solid waste pickup. No other commercial service category has that requirement. I recommend that the ordinance be changed to allow multi-family clients the option of contracting with other service providers. (See attachment provided by the Arizona Multi-Family Association.)

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: *1-5-12*

Subcommittee agenda date: ~~12/24/2011~~

Subcommittee action:

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

Tracking # 43

Myth vs. Fact for Multi-family Solid Waste Customers

Myth #1 – State law specifies that municipalities shall not prohibit private enterprise from offering solid waste services to commercial customers in cities and towns.

This is true.

- A.R.S. § 49-746(A) states, “A municipality of this state shall not prohibit or unreasonably restrain a private enterprise from delivering commercial or industrial recycling services or commercial or industrial solid waste management services within or to the municipality.”
- Most cities and towns consider multi-family as commercial solid waste customers since multi-family communities are serviced similar to the other types of commercial customers (retail, business, etc). Like other commercial customers, multi-family properties utilize front-load, large metal containers or bins rather than 65 or 90-gallon plastic containers most often attributed to residential solid waste customers.

Myth #2 – The city of Peoria is no different from other Valley municipalities in terms of mandating owners of multi-family communities to use city solid waste services (and prohibiting private enterprise from offering solid waste services to multi-family).

This is false.

- Currently Goodyear, Gilbert and Scottsdale both:
 1. Offer multi-family solid waste services;
 2. And permit multi-family customers to contract with private enterprise for solid waste services.
- Phoenix, Avondale, Chandler and Surprise **do not offer** solid waste services to commercial customers --- **this includes multi-family customers**. In Phoenix, Avondale, Chandler and Surprise, owners of multi-family communities must contract with private enterprise for solid waste services.

Myth #3 – Only the owners of multi-family communities (the landlord) benefit from lower solid waste rates.

This is false.

- Utility expenses are passed-on to the residents of multi-family communities (the tenant) and the exact utility charges are typically specified in the lease agreement.
- In some cases the utility bill is sent directly to the tenant.

- When a new lease is procured or an existing lease renewed, the new or increased utility rate will likely be adjusted in the form of a rent increase.

Myth #4 – The owners of multi-family communities (the landlord) are *only* concerned with the cost of solid waste services.

This is false

- When an owner of a multi-family community chooses a vendor for any service (including solid waste services), two factors are considered:
 1. **The cost of the service.** The resident will be impacted by any rate increase as much as, if not more than, the landlord since higher utility rates typically equate to higher overall rental rates. Both the owner and the resident benefit from lower operating/utility costs.
 2. **The quality of the service.** The quality of the solid waste service is just as important as the cost of the service. Further, if a vendor provides a poor quality of service that could impact the **health and safety** of a resident, then the landlord has the obligation to change vendors. Poor quality of service includes:
 - Solid waste bins or containers are not placed back in their enclosure area;
 - Delayed service;
 - Missed containers on pick-up days;
 - Poor customer service;
 - Damage to bin/ container enclosure.

Myth #5 – If the city of Peoria does not provide solid waste services to multi-family customers, then multi-family residents are at risk of not having solid waste services (due to a irresponsible or negligent landlord).

This is false.

- State law requires the landlord to “Provide and maintain appropriate receptacles and conveniences for the removal of ashes, garbage, rubbish and other waste incidental to the occupancy of the dwelling unit and arrange for their removal.” (A.R.S. § 33-13-24(A)(5).
- If the landlord fails to provide solid waste services, then they would be in breach of the lease agreement and in violation of the Arizona Landlord and Tenant Act.
- Several Valley cities, including Phoenix, Avondale, Chandler and Surprise, do not offer solid waste services to multi-family customers.

Myth #6 – If the city of Peoria allows owners of multi-family communities to contract with private enterprise for solid waste services, then the city will lose its multi-family solid waste customers.

This is false.

- Two factors would determine if the city would retain its multi-family customer base:
 - The city remains competitive with private enterprise in its rates;
 - The city offers quality solid waste services.
- In other Valley cities, owners of multi-family communities choose city services over private enterprise due to the competitive rates and high quality of solid waste service offered by the cities. The city of Scottsdale is a good example of such.
- The city of Peoria currently serves commercial customers (retail, business, etc) who currently have the option of choosing private enterprise over the city services --- these commercial customers likely choose the city solid waste services due to the city's competitive rates and high quality of service.
- Citizens should not be burdened by a city's inability to remain competitive with the private sector.

Myth #7 – If the city of Peoria allows the owners of multi-family communities to contract with private enterprise for solid waste services, then the city is protecting the consumer and the city's residents.

This is true.

- Competition is the greatest protection for the consumer and protects the consumer from unreasonable rate increases.

Front Loader Solid Waste Service

Supplemental Information

Public Works-Utilities

1/19/2012

HANDOUT 1

Commercial Front Loader Solid Waste Existing Service January 19, 2012

Front Loader Services provides 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.
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HANDOUT 2

City of Peoria Solid Waste Rates Effective January 2, 2009

Commercial Services

| Container Size | Number of Pickup per Week | Monthly Rate |
|----------------|---------------------------|--------------|
| 2 Cubic Yard | 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 |
| 3 Cubic Yard | 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 |
| 4 Cubic Yard | 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 |
| 6 Cubic Yard | 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 |
| 8 Cubic Yard | 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

| | | |
|--------------|--------------|-------------|
| 4 Cubic Yard | 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 |
| 6 Cubic Yard | 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 |
| 8 Cubic Yard | 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 |

HANDOUT 3

Commercial Solid Waste
Cost of Service Allocation
January 19, 2012

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

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

Commercial Solid Waste
Relevant Definitions and City Code Reference
January 19, 2012

- **Sec. 22-1. Solid waste; definitions.**

Commercial solid waste generator means any person in charge of owning, leasing, renting or occupying any business, industrial or commercial building other than a mobile home park, single-family and multifamily dwelling unit, including a store, office or factory, who generates refuse, solid waste or recyclables which refuse is picked up by the city or licensed solid waste collector in large rectangular metal containers having a capacity of not less than three hundred (300) gallons each and which is of a waste stream not characterized as residential in nature.

Residential noncommercial solid waste generator means any person generating refuse other than a commercial refuse generator.

- **Sec. 22-20. Residential Solid Waste Collection, authorized collection.**

The city sanitation service or its agents and contractors authorized by the city shall collect all solid waste generated by non-commercial generators within the city. Except as provided in this chapter, no person shall collect or gather solid waste or recyclables within the city from noncommercial generators.

- **Sec. 22-25. Residential collection by bins.**

(a) Motels, hotels, apartments, condominiums, mobile home parks or travel trailer parks may submit an application to the city requesting garbage and trash collection for the facility involved to be effective by use of city bins instead of individual residential unit collection. The number and size of bins required shall be determined by the city, and must be of such number and size so as to contain all garbage and rubbish within entirely enclosed bins for twice weekly collection, unless otherwise authorized by the director for good cause shown. Before authorizing bin collection, the city must find the following:

(1) A sufficient number of units and other considerations involved would make it economical for the city to provide bin service.

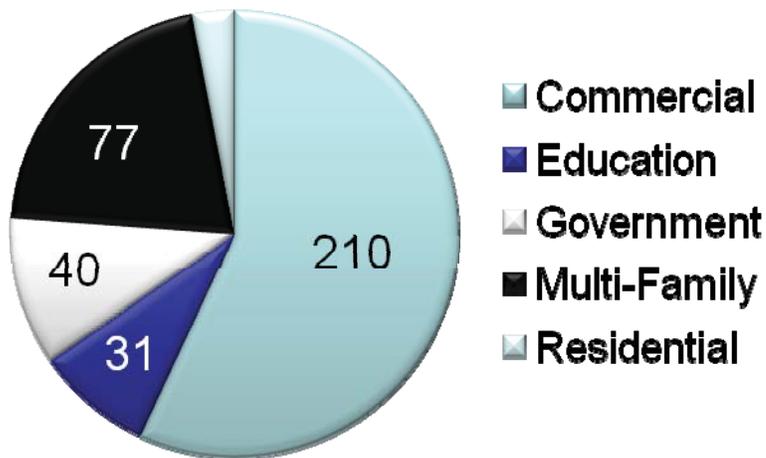
(2) Bin collection may be made under conditions of sanitation and cleanliness so that no adverse health impact exists and that all state and county health requirements are complied with.

(3) The applicant has provided a location for the bins that does not interfere with traffic and is not unsightly.

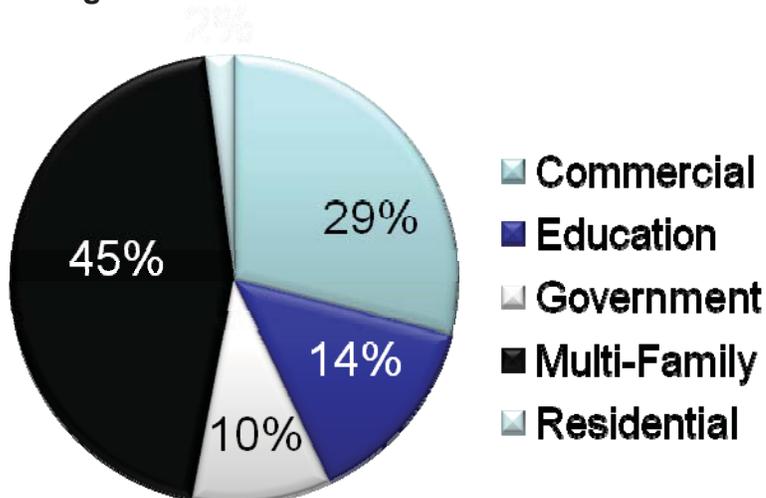
HANDOUT 5

Commercial Solid Waste Front Loader Customer Profiles January 19, 2012

Number of Customers:



Percentage of Revenue:



HANDOUT 6

Multi-Family Service
Sample Monthly Costs
January 19, 2012

| 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 |
| 12 Properties Sampled (Median Cost) | | \$1,378.28 | \$9.06 |
| Range of Costs per Unit: | | \$3.55 low | |
| | | \$39.37 high | |

HANDOUT 7

Front Loader Service Rate Comparisons January 19, 2012

| Container Size | Service Per Week | Peoria | Glendale | Tempe |
|----------------|------------------|--------|----------|--------|
| 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 |

1. Comparisons for Front Loader Service Rates (Peoria, Glendale and Tempe).
 2. Republic, Waste Management, Park & Sons would not provide their rate Structures. However, it has been indicated that Peoria's rate structure was about 8 to 10% higher for smaller containers but that we were competitive with their rates for midsize and larger containers.
-