



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

**CITY COUNCIL SUBCOMMITTEE ON  
PUBLIC SERVICES  
REGULAR MEETING  
NOTICE & AGENDA**

**Thursday, December 15, 2011**

**5:00 P.M.**

**Pine Conference Room**

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CITY COUNCIL  
SUBCOMMITTEE ON PUBLIC  
SERVICES

**CONVENE:  
ROLL CALL:**

**CONSENT AGENDA**

Chairperson  
Ron Ames, Councilmember  
Palo Verde District

**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.

Members  
Carlo Leone, Councilmember  
Pine District

**CONSENT – New Business:**

Dave Pearson, Councilmember  
Ironwood District

**1C MINUTES:**

Staff Liaison  
Susan Thorpe, Deputy City Manager

Discussion and possible action to approve the minutes of December 1, 2011.

Liaison City Attorney's Office  
Steve Burg, Chief Assistant City Attorney

**REGULAR AGENDA**

**2R COMMERCIAL SOLID WASTE SERVICES**

***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.*

Discussion and possible action to make recommendations to the entire City Council regarding Commercial Solid Waste policy issues related to service delivery options and associated rates.

Staff will present policy options for discussion and possible action.

**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 1, 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 1, 2011 at 5:00 p.m.

**Members Present:** Councilmember Ron Aames, Councilmember Dave Pearson, and Councilmember Carlo Leone

**Members Absent:** None.

**Staff Present:** Carl Swenson, City Manager; Susan Thorpe, Deputy City Manager; Bill Mattingly, Public Works Director; Maher Hazine, Deputy 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 ten (including 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 Councilmember Leone to approve the consent agenda, and upon vote the motion carried unanimously 3 to 0.

**REGULAR AGENDA**

**2R RESIDENTIAL SOLID WASTE SERVICES**

Staff briefly outlined existing Residential Solid Waste Service fees, and reviewed interests from the October 28 Council Workshop regarding the implementation of modified solid waste services.

Staff recommended a reduction in the residential solid waste fee, and maintenance of existing services to residences. The staff recommended 13% reduction in fee, with no change to existing services, which would reduce the rate from \$15.06 to \$13.10 per month.

Staff also provided an alternative 10% rate reduction, which would make available

\$300,000 for modified residential solid waste services. The 10% rate reduction would reduce the current \$15.06 monthly fee to \$13.55.

Peoria's landfill and recycling agreements are pending renewal. Staff reported that multiple landfill and recycling centers have offered to take Peoria collections.

The following modified residential solid waste services were discussed:

- Bulk Trash Pickup
- Hazard Household Waste
- Green Waste Program
- Same Day Recycling and Trash Collection

Peoria resident Denette Dunn, of the Suncliff subdivision, commented about bulk pick up services. She said she and many other residents don't like setting their bulk out on the curb waiting for pick up because it's a safety risk. She asked that the city consider providing a once a year free pass to residents allowing for a no cost load to be accepted at the landfill under contract to Peoria. She asked that when staff renews landfill and recycling agreements, Peoria demand the pass through of rebates received by the landfill contractor when earned by the commodities collected. Deputy Public Works Director Maher Hazine responded that Peoria's current landfill agreement provides a fixed rate which mitigates downside risks.

Councilmember Pearson moved and Councilmember Leone seconded a motion to recommend a residential solid waste fee reduction of 13%. The motion passed 3 to 0.

### **3R FUTURE AGENDA TOPICS & NEXT MEETING DATE**

Ms. Thorpe reported that a staff submitted item on Commercial Waste Service is prepared to come before the subcommittee. It was agreed that this would come to the subcommittee at a meeting on December 15.

#### **ADJOURNMENT:**

There being no further business to come before the Council Subcommittee, the meeting was duly adjourned at 6:00 p.m.

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Ron Ames, Chairperson

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Terri Smith, City Council Assistant

## 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

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### **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 \_\_\_\_\_

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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  
December 15, 2011

The Commercial Solid Waste Services are split into the following Categories:

**Roll-off:** Refuse collection in 20, 30 and 40 yard containers 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 Service 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-gallon containers or metal bins ranging in size from 2 yards to 8 yards.

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

## HANDOUT 1B

### Existing Rate Structure, FY 2012:

- ❖ Roll-off Solid Waste Collection Service :
  - Solids Handling = \$155/pull  
Additional Disposal Fee paid 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 **Handout 1C**
  
- ❖ Recycling Collection Service: There is currently no separate fee for the Recycling Collection Service

# HANDOUT 1C

## 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 2

Commercial Solid Waste  
Cost of Service Allocation  
December 01, 2011

<b>Service Description</b>	<b>FY2012 Cost Allocation</b>
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.

## HANDOUT 3

Commercial Solid Waste  
Staff Recommendation  
December 15, 2011

**Staff Recommendation:**

Staff recommends that the Subcommittee make a recommendation to the full Council of Option A in the staff report, 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:

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