



# SOLID WASTE SERVICES

CITY OF PHOENIX PUBLIC WORKS DEPARTMENT

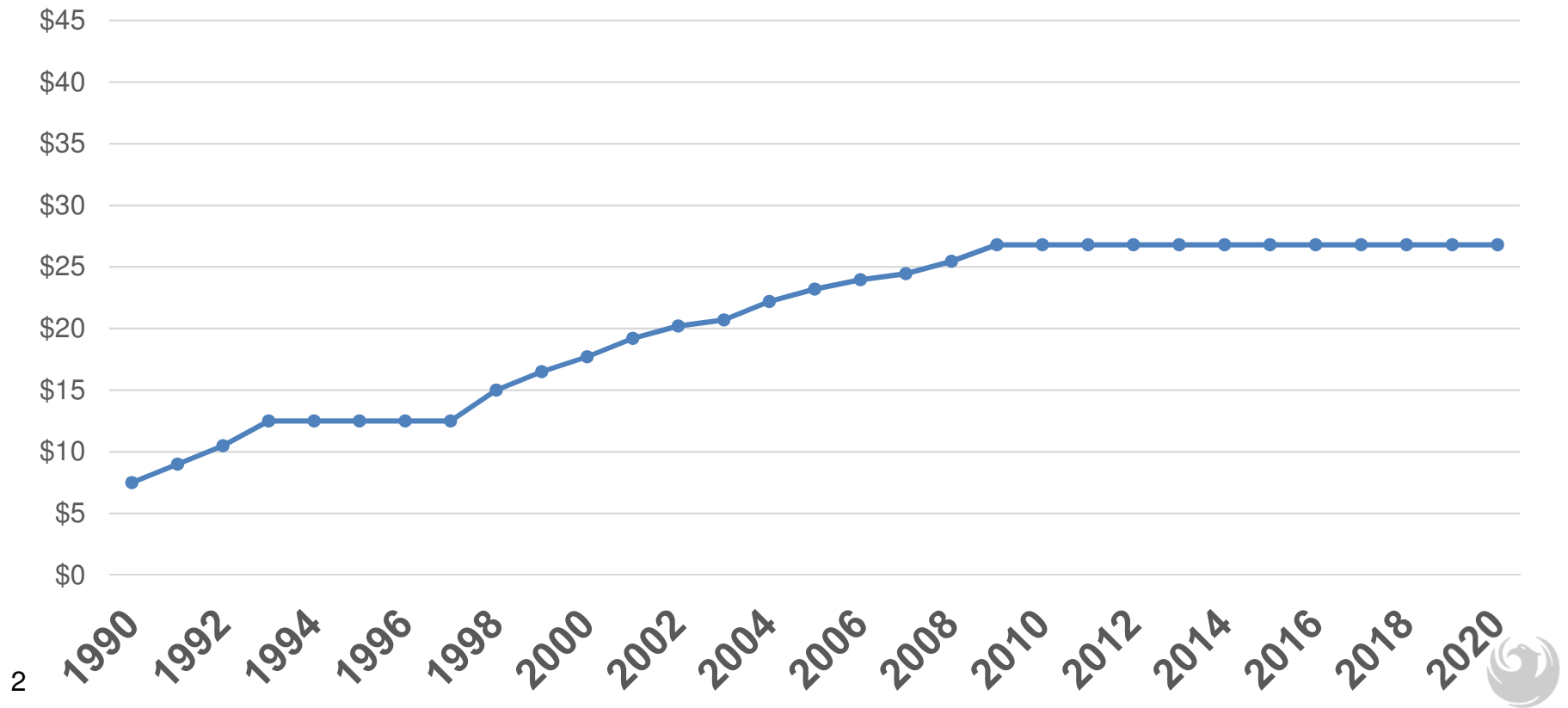


City of Phoenix

# AGENDA:

- History of Solid Waste Rate
- Overview of Solid Waste Services
- Recycling and Waste Diversion History
- Current Operational Challenges
- Options

# SOLID WASTE RESIDENTIAL RATES



# RATE STABILIZATION ACTIONS



Fund balance



Recycling revenue



Defer capital investments



Employee concessions



Operational efficiencies



# SOLID WASTE SERVICES

**\$26.80**

monthly base rate

**RESIDENTIAL  
CURBSIDE  
COLLECTION  
WEEKLY**



# OUR ASSETS



## WHY WE PROVIDE THESE SERVICES

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- 1 To protect the **environment** and preserve **natural resources**.
- 2 Ensure the **health and safety** of Phoenix residents per federal, state and county mandates.
- 3 Divert more solid waste from the landfill by **reducing, reusing and recycling** per Council policy.



# BRIEF HISTORY OF SOLID WASTE SERVICES IN PHOENIX





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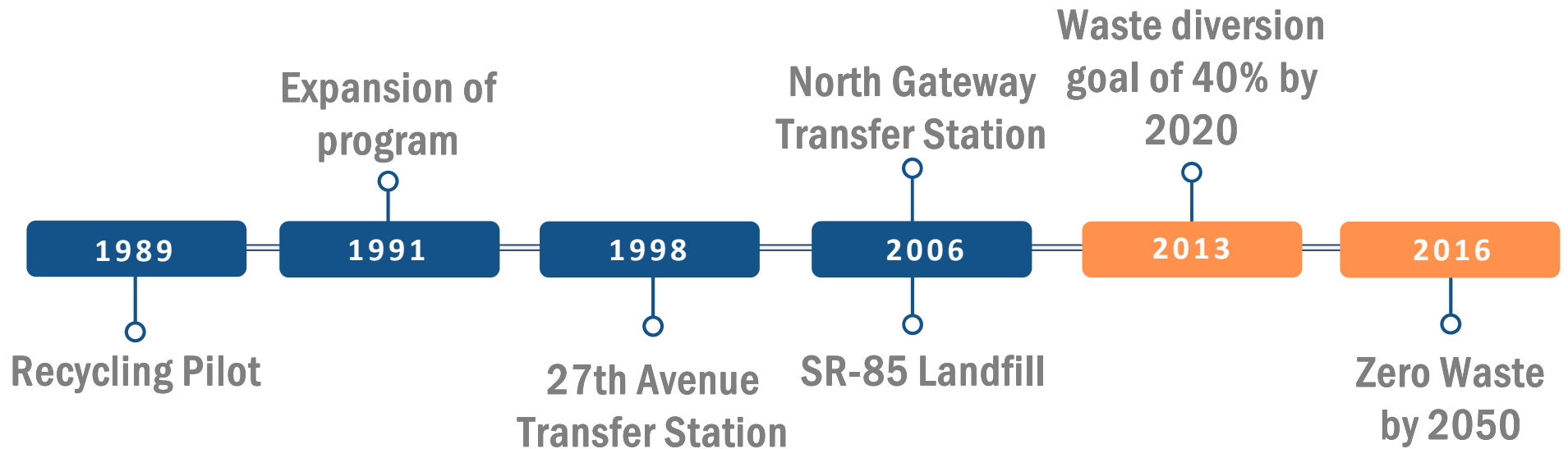


# PHOENIX RECYCLING PROGRAM

1989



# PHOENIX WASTE DIVERSION TIMELINE





**REIMAGINE PHOENIX:  
DIVERT 40% OF WASTE FROM THE  
LANDFILL BY 2020**

**Three-pronged approach**





**EXPAND COMMUNITY  
OUTREACH**



NATIONAL WASTE DIVERSION RATE ..... **34%**



..... **36%**



..... **76%\***  
*\*mandates*



..... **38%**

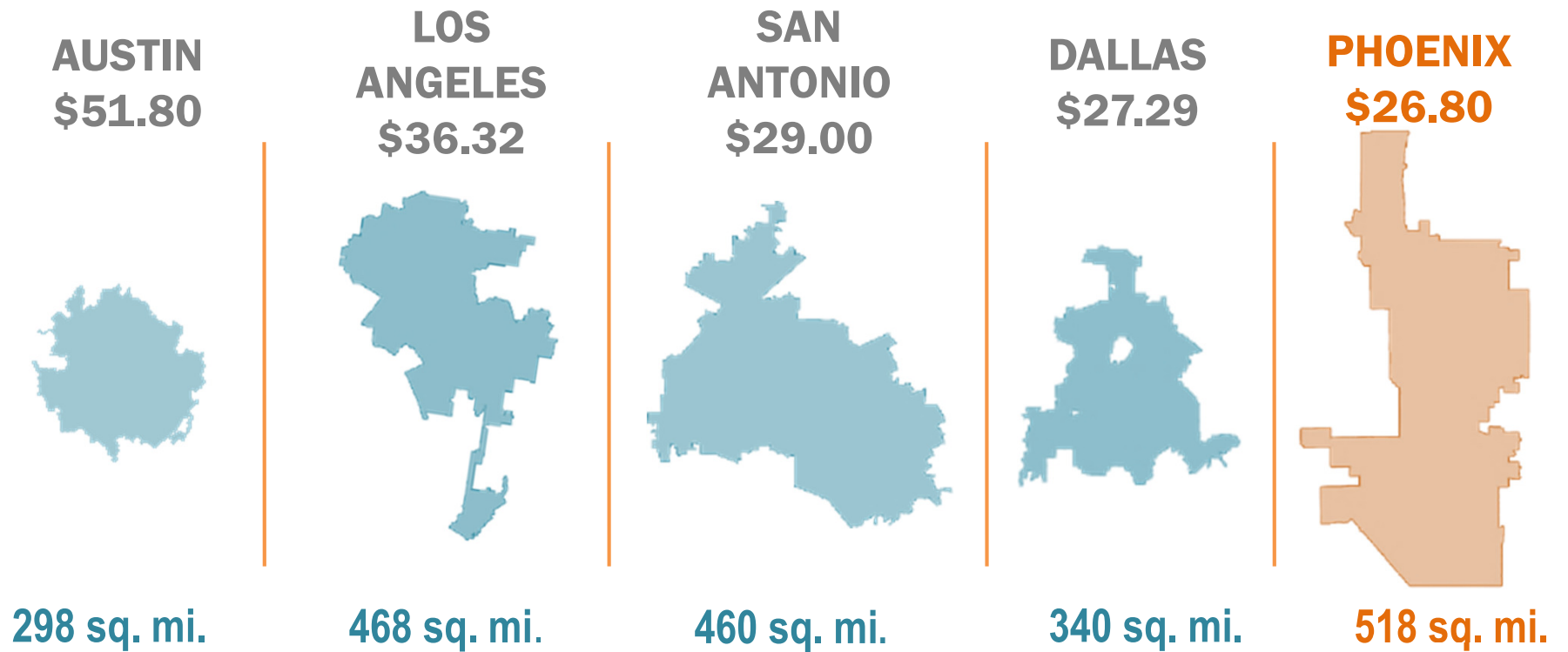


..... **36%**



..... **19%** 

# COMPARISON OF SOLID WASTE FEES



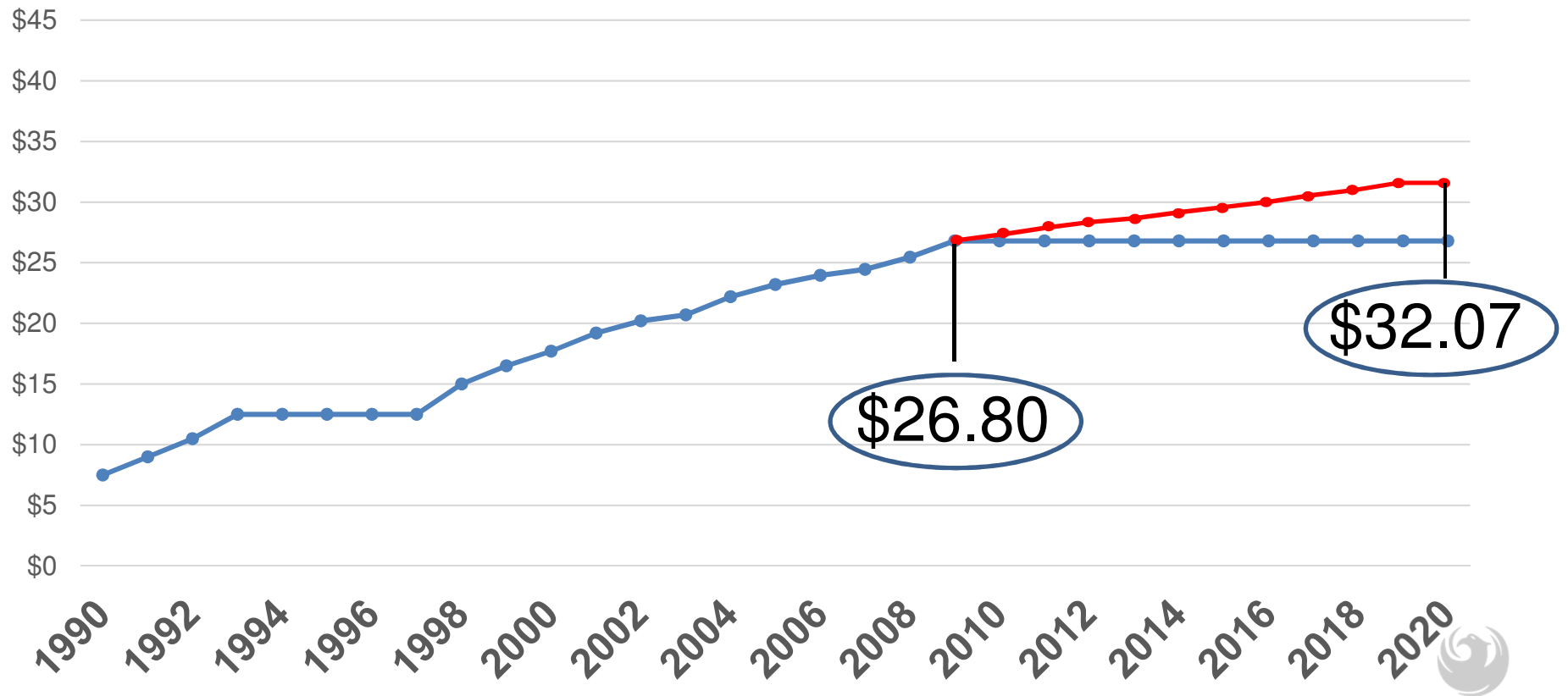
# COMPARISON OF SOLID WASTE FEES

\$30.18	\$26.80	\$25.60	\$22.80	\$21.80
 mesa·az	 City of Phoenix	 Tempe ARIZONA <small>Making waves in the desert</small>	 CITY OF Goodyear	 GLENDALE
133 sq. mi.	518 sq. mi.	40 sq. mi.	191 sq. mi.	62 sq. mi.
population 496,000	population 1.6M	population 185,000	population 80,000	population 246,000

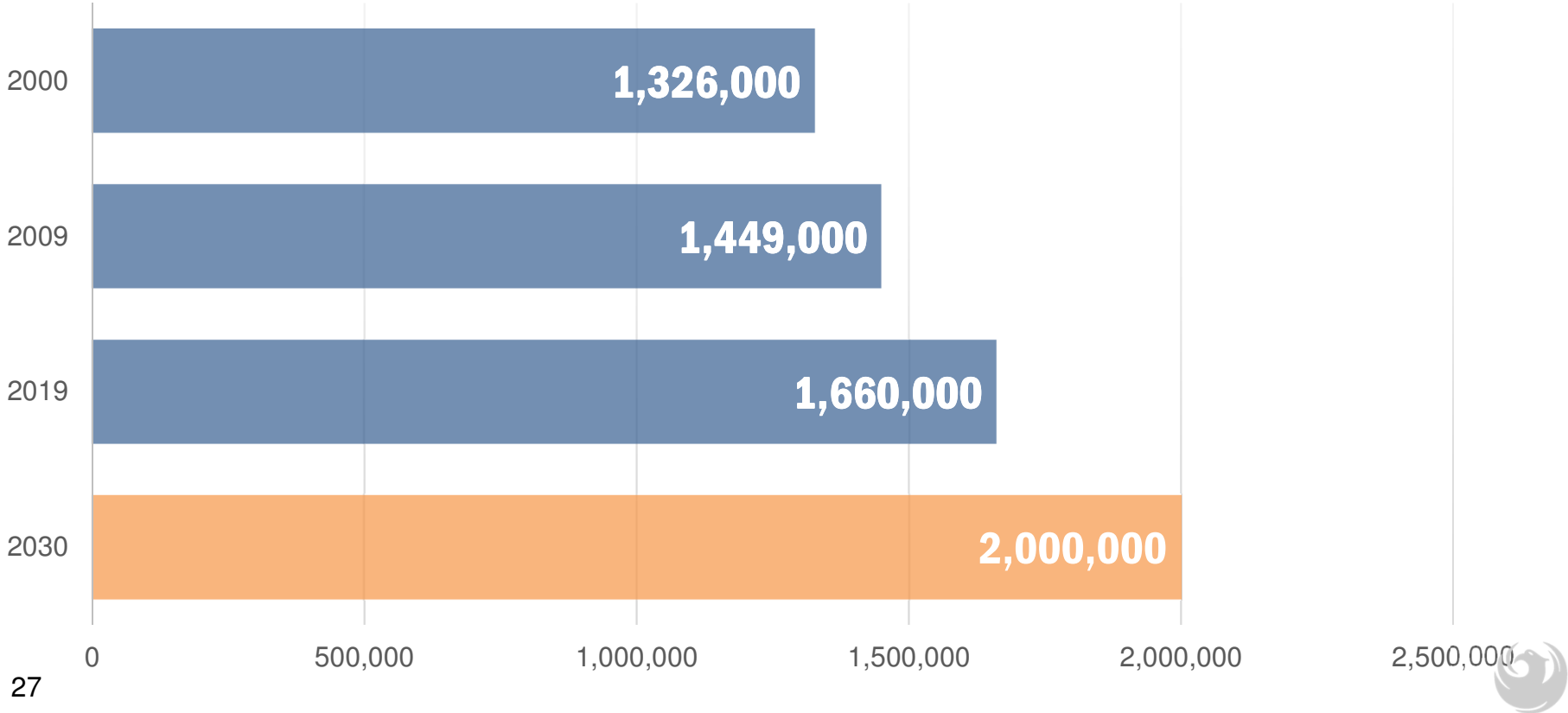




# SOLID WASTE RESIDENTIAL RATES



# PHOENIX POPULATION GROWTH



# What Operation Green Fence has Meant for Recycling



China Enacts "National Sword 2017" Crackdown on Waste Imports

**Anti-dumping**  
**China tries to keep foreign rubbish out**  
*How a new rule could wallop the recycling industry*



Two dozen types of scrap imports banned by China in 2018  
*High-pitched aluminum products, polycarbonate plastic, and one type of textured paper, industrially generated plastic, acrylic resins, polypropylene*

## Piling Up: How China's Ban on Importing Waste Has Stalled Global Recycling

*China's decision to no longer be the dumping ground for the world's recycled waste has left municipalities and waste companies from Australia to the U.S. scrambling for alternatives. This expertise is offers an opportunity to develop better solutions for a growing throwaway culture.*

## How China's Recycling Bans Have Impacted The Fate of Curbside Recycling in the U.S.

By Kathleen Cunningham - April 22, 2019



## Mountains of US recycling pile up as China restricts imports

**Economics**  
PRI's The World  
January 02, 2018 - 3:30 PM EST  
By Jason Margolis

# EFFICIENCIES and SAVINGS

NEW WAY, SAME DAY



**\$1.5M**

CONVERSION TO CNG



**\$1.3M**

LANDFILL LEASES



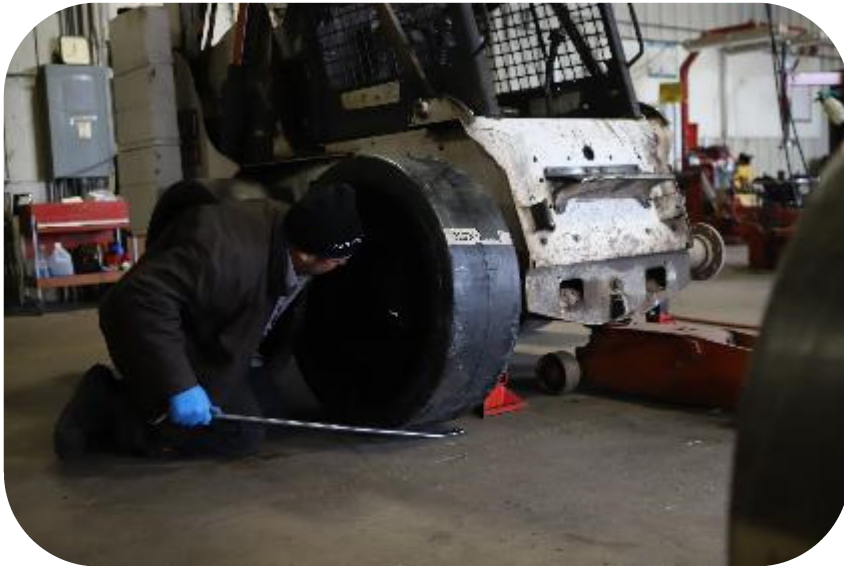
**\$2.6M**

*2009-2019 revenues*



# EFFICIENCIES and SAVINGS

EQUIPMENT REBUILD



**\$1.3M**

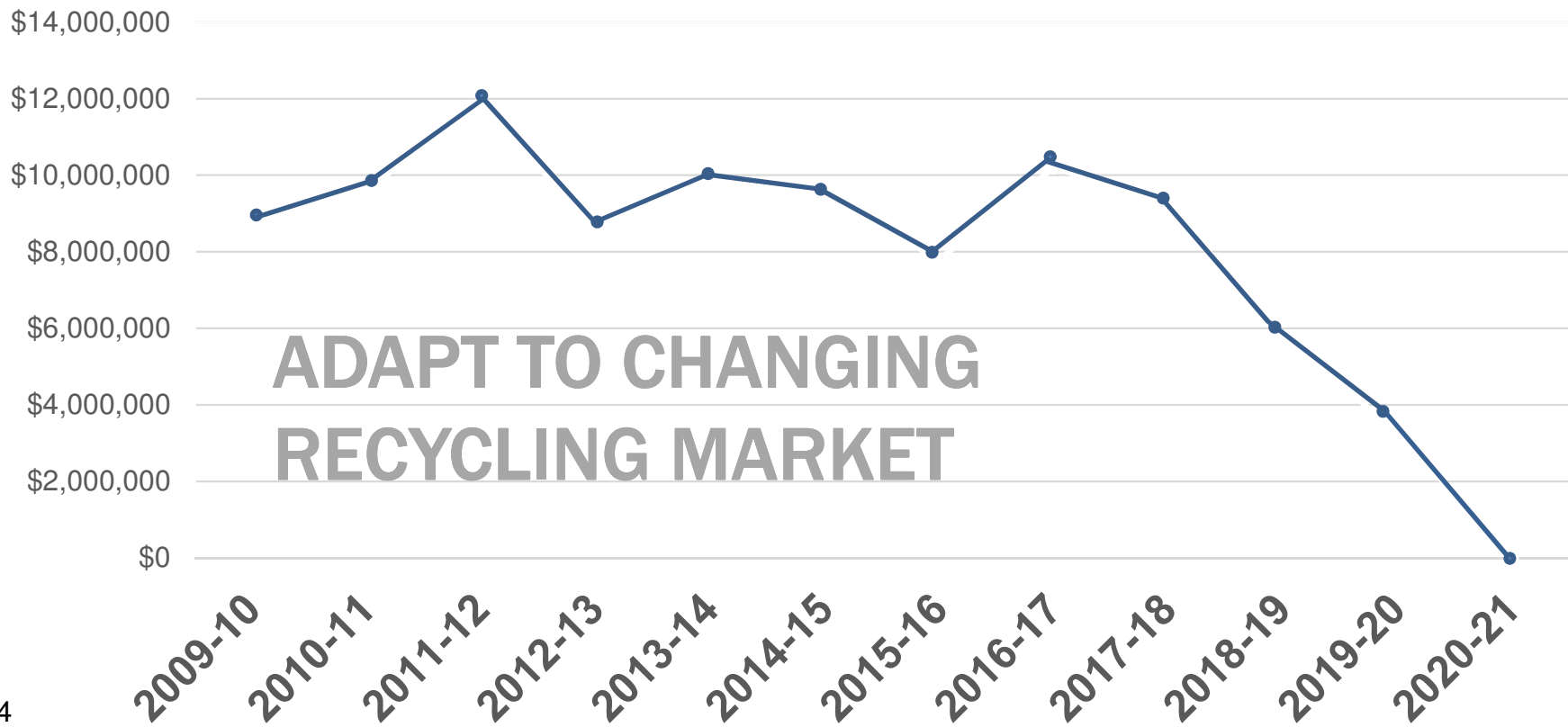
FLEET – RIGHT-SIZED



**\$1.1M**



# CURRENT OPERATIONAL CHALLENGES



# CURRENT FINANCIAL CHALLENGES



**Employee compensation costs**



**Equipment and maintenance costs**



**Decline in recycling revenue**



**Reduced fund balance**



# PLANNED REVENUES & REDUCTIONS \*

## REVENUE

- Balance recycle contract
- Commercial permit
- Raise gate rates

## REDUCTIONS

- CIP
- Efficiencies
- Savings

\* Each option includes a 2% inflation factor





## IMPACTS OF NO RATE INCREASE

### **ELIMINATE:**

- All four bulk trash services
- All nine HHW events
- Weekly recycling and go to every-other-week
- One of two recycling facilities
- Compost programs and facility
- All eight Eco Stations
- Totals approximately 135 staff positions

**\$0.00**

**Total Rate**

**\$26.80**



# OPTION #1

## Maintain Current Services

**+\$6.40**

**Total Rate**  
**\$33.20**



## OPTION #2

# Eliminate Composting

**+\$5.65**

**Total Rate**  
**\$32.45**



## OPTION #3

# Every Other Week Recycling

**+\$5.50**

**Total Rate**

**\$32.30**



# OPTION #4

## Eliminate Recycling and Composting

**+\$4.75**

**Total Rate  
\$31.55**



# SOLID WASTE RATE SCENARIOS

**Current Rate**

**\$26.80**

Service Cuts	Maintain Services	Eliminate Composting	Every Other Week Recycling	Eliminate Recycling & Composting
0.00	+\$6.40	+\$5.65	+\$5.50	+\$4.75
Total Rate \$26.80	Total Rate \$33.20*	Total Rate \$32.45*	Total Rate \$32.30*	Total Rate \$31.55*

**\*Assumes 2% inflation factor beginning in 2021-22**



# Packet – Attachment A

Residential Rate Adjustment Options		Increase	Proposed Rate	
			FY19-20 and FY20-21	FY21-22 through FY25-26
Current Residential Rate	\$26.80			
Option 1		\$6.40	\$33.20	*
Option 2		\$5.65	\$32.45	*
Option 3		\$5.50	\$32.30	*
Option 4		\$4.75	\$31.55	*

\*Two percent inflation to be added to residential rate each year.

Level of Service	Current Rate	Increase	Proposed Rates						
			FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26
Refuse Tipping Fee (\$/Ton)	\$38.25	\$3.75	\$42.00	\$42.00	\$44.00	\$44.00	\$45.00	\$45.00	\$45.00
Additional 90-gallon - garbage	\$13.40		Half the rate of the applicable residential rate for each Fiscal Year						
Additional 300-gallon - garbage	\$80.40		3x the rate of the applicable residential rate for each Fiscal Year						
Individual 60-gallon - garbage	\$23.80		\$3 less than the applicable residential rate for each Fiscal Year						
Establish Commercial Hauler Permit Fee	N/A		Per truck rate established by Director and published by Department						



## NEXT STEPS

- Post legal notice – November 2019
- Earliest return to City Council for action Jan. 29, 2020







THANK YOU

