



## Maintenance and Environmental Services

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### Refuse and Recycling Operations and Cost Analysis Report

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#### Introduction

In the fall of 2010, at the direction of the City Manager, a report was prepared on the City's Refuse and Recycling Programs. The purpose of this report was to analyze the City's Refuse and Recycling programs, operations, and their associated costs and to put forth recommendations to improve operations and financial stability. This report was prepared by Sean Henry (Maintenance and Environmental Services Manager) and John Wallace (Refuse and Recycling Coordinator). This report has been updated to reflect actual costs and revenues thru the third quarter of FY 2011 (January 2011).

#### Background

The City of Carbondale has provided its citizens inexpensive and efficient residential refuse collection for more than 50 years. This service has historically been considered a benefit of living in Carbondale; therefore charges to our residents have been modest trying to only recover associated costs of providing the service. During the budgeting process for 1968-1969 the operations of this service were moved from the General Fund to what is now called the Solid Waste Fund; and the monthly fee for refuse collection was increased from \$1.00 per month to \$1.25 per month.

On July 1, 1990, in order to comply with State Law, the City implemented its' Landscape Waste Collection program, this program was a pay-per-use sticker program that initially cost residents \$0.60 per bag or bundle. During the fall of 1990, in response to a legislative goal to reduce the landfill waste stream by 15%, the City implemented its' Curbside Recycling and Recycling Drop-Off Programs; these were initially funded by a \$1.00 per month assessment on each City water/sewer account. On May 1, 1997 the City expanded its' pay-per-use sticker program (Landscape Waste) to include white goods (appliances) and tires, the stickers were renamed "Special Waste Stickers" and the price per sticker was increased to \$0.75 each.

On July 1, 2009, with the assistance of a grant from the Illinois DCEO, the City expanded the Curbside Recycling Program to include mixed paper (any type of clean paper or cardboard products). This expanded program has been well received by Carbondale's Citizens, increasing tonnages diverted from the landfill by 185% (187.23 tons) in during the first 12 months of the program. Participation in the curbside recycling program has also increased from 24.2% in FY2009 to an average of 29.5% during FY2011.

Currently the City's Refuse and Recycling Division includes 6 full-time union employees (5 Teamsters and 1 Solid Waste Collector). Supervision of this division is provided by the General Fund position titled "Refuse and Recycling Coordinator/MES Administrative Assistant", through back charging 75% (6 hours per day plus additional hours as warranted) of his time to the Solid Waste Fund. Oversight and Management is provided by the General Fund's MES Manager, there is currently no recuperation of oversight or management costs from the Solid Waste Fund. The staff assigned to the Refuse and Recycling Division is responsible for the following programs and MES Division operations:

- Residential Refuse Collection
- Curbside Recycling Collection
- Landscape & Special Waste Collection
- Recycling Drop Off Locations
- Janitorial and Custodial Duties (MES Facility)
- Emergency Response (Storms, etc.)
- Snow and Ice Removal Operations
- Assisting with Street Maintenance Work
- Assisting with Forestry Division Work

Attention should be given to the other duties that the staff of the Refuse and Recycling Division are responsible for. The six (6) Teamsters Union employees are a key part of Snow and Ice Removal Operations; without these employees the MES Division cannot provide round the clock operations in response to snow and ice events. Also these employees assist the Street Maintenance Division on a regular basis throughout the work week.

**Customer Base, Fee, and Cost History**

Over the past 40 years the City’s Refuse and Recycling Programs have steadily grown, however the fees charges for these services have remained modest. In fact the fee for Residential Refuse Collection has only increased by \$8.00, an average of only \$0.20 per year, during this time frame; likewise the Recycling Assessment has only increased by \$0.75 over 17 years, an average of only \$0.04 per year. Refer to Table 2.1 for a summary of this information.

Table 2.1 – 40 Year Customer Base and Fee History

Year:	1970	1980	1990	2000	2010
# of Refuse Customers:	2,100	2,750	3,480	3,615	3,950
Refuse Collection:	\$1.50	\$3.50	\$5.50	\$6.75	\$9.50
Recycling Assessment:	n/a	n/a	\$1.00	\$1.25 (1993)	\$2.00
Special Waste Sticker:	n/a	n/a	\$0.60	\$0.75 (1997)	\$0.75

In April of 2008 it was recommended to and the Mayor and City Council who subsequently approved a three year rate increase for both residential refuse collection and the recycling assessment fee. Residential refuse collection was increased \$0.75 per year from \$7.25 to the current rate of \$9.50 per month. The recycling assessment was increased \$0.25 per year from \$1.25 to \$2.00 per month. At this time it was expected that these rate increases would bring the revenues for these services in line with the actual costs of providing these services in FY2011. Table 2.2 summarizes the costs of providing the noted services for the past several fiscal years.

Table 2.2 – 3 Year Customer & Fee Bases and Service Costs <sup>4</sup>

Fiscal Year:	2008	2009	2010	2011 <sup>2</sup>	2012 Budget
Average # of Monthly Refuse Customers:	3,941	3,944	3,914	3,904	3,950
Avg. Monthly Refuse Collection Cost:	\$8.18	\$8.40	\$9.45	\$9.19	\$9.25
Monthly Refuse Fee:	\$7.25	\$8.00	\$8.75	\$9.50	\$9.50
Average # of Monthly Recycling Fees:	7,943	7,964	8,003	7,644 <sup>3</sup>	7,650
Avg. Monthly Recycling Fee Needed <sup>1</sup> :	\$1.03	\$1.13	\$2.14	\$2.44	\$2.35
Monthly Recycling Assessment Fee:	\$1.25	\$1.50	\$1.75	\$2.00	\$2.00
Number of Bags & Bundles Collected:	13,382	13,482	12,375	13,965	13,000
Cost per Landscape Waste Bag & Bundle:	\$2.43	\$2.90	\$3.43	\$3.09	\$3.50
Landscape Waste Bag & Bundle Sticker Fee <sup>5</sup> :	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75
Avg. Vacuum Leaf Disposal Cost (per Stop):	\$18.61	\$21.62	\$14.14	\$15.23	\$20.00
Number of Vacuum Leaf Stops:	433	469	423	448	450
Average Income per Vacuum Leaf Stop <sup>6</sup> :	\$16.82	\$18.57	\$20.12	\$21.03	\$20.00

<sup>1</sup> the jump in FY2010 is due to the expanded recycling program.

<sup>2</sup> Estimated, non-audited FY2011 year end data.

<sup>3</sup> The reduction in the number of recycling fees is due consolidation of water meters at apartment complex(s); data shown is the average of the last 7 months of FY2011, the actual FY2011 12 month average is 7,739.

<sup>4</sup> In order to normalize the data, the costs in this table do not include any “capital” costs as shown in Table 3.1.

<sup>5</sup> Actual income from sticker sales are only \$0.64 per sticker as they cost \$0.06 each and are sold to vendors for \$0.70 each.

<sup>6</sup> As detailed in the City Budget (Division 47200 – Refuse and Recycling Services) there has historically been no attempt to recoup any labor or equipment costs as these are provided by the General Fund through the Street Maintenance & Forestry Divisions.

As you can see from in Table 2.2, FY2011 is the first year for some time that the fee for providing residential refuse service should cover the costs for this service. Also the Recycling Assessment fee is close to covering the costs for recycling collection; however it should be noted that the increases in the Recycling Assessment fee were determined prior to the expansion of the recycling program in 2010. In years prior to expansion of the recycling program in FY2010 the Recycling Assessment Fee helped to subsidize the cost of the Landscape Waste Bag & Bundle Program, though this is no longer the case.

One significant change for FY2011, which was not anticipated during budget preparation, is a permanent reduction in the number of Recycling Assessment Fees collected by the City. Approximately three-hundred fifty (350) fees will not be collected, due to the consolidation of individual water meters to master meters at apartment complex(s). This equates to \$700 per month or \$8,400 annually, which is a 4.38% reduction in revenues for the City’s Recycling Programs.

**Analysis of Expenses and Cost Centers**

Table 3.1 provides a 3 year history of costs for each operation of the Refuse and Recycling Division:

Table 3.1 – History of Operational Costs

Fiscal Year:	2008	2009	2010	2011 <sup>6</sup>	2012 Budget <sup>7</sup>
Residential Refuse Collection <sup>1</sup> :	\$386,832	\$397,620	\$443,787	\$430,699	\$442,602
Special Pickups (Estimated) <sup>1</sup> :	\$6,464	\$5,020	\$6,496	\$6,068	\$6,500
Commercial Collection <sup>2</sup> :	\$62,829	\$68,308	\$74,575	\$71,041	\$79,253
Commercial “Capital” Costs <sup>3</sup> :	\$15,790	\$749	\$0	\$811	\$0
Recycling Collection:	\$98,385	\$108,290	\$205,326	\$226,309	\$239,792
Recycling “Capital” Costs <sup>3</sup> :	\$0	\$9,828	\$7,152	\$8,304	\$7,380
Landscape & Special Waste Collection:	\$32,540	\$39,063	\$42,435	\$42,259	\$44,708
Land. & Special Waste “Capital” Costs <sup>3</sup> :	\$1,428	\$1,491	\$1,518	\$0	\$1,400
Vacuum Leaf Collection Disposal <sup>4</sup> :	\$8,060	\$10,140	\$5,980	\$6,825	\$8,400
Total FY Expenditures:	\$612,328	\$640,509 <sup>5</sup>	\$787,269	\$792,316	\$830,035

<sup>1</sup> Total Expenditures minus all revenue generated from Special Pickups, this is done in order prevent the Fall Special Pickup program from unnecessarily increasing the costs of residential refuse collection.

<sup>2</sup> Limited Program, <sup>3</sup> these costs are not used in the calculation of monthly costs or fees; they include bins, stickers, and dumpsters.

<sup>4</sup> Disposal costs only, labor by the General Fund, <sup>5</sup> does not include a fuel adjustment credit of \$2,088 at the end of the year,

<sup>6</sup> Estimated, non-audited FY2011 year end data, <sup>7</sup> Actual FY2012 budget, pro-rated across the various programs

The significant jump in operational costs for Residential Refuse Collection as well as the average monthly refuse collection cost for FY2010 is primarily due to the higher than usual back charge rate for Street Maintenance employees that are used to fill in on the refuse or recycling trucks. This rate jumped \$13.46/hour in FY2010; for FY2011 the rate decreased by \$7.05/hour from the FY2010 rate. These rates are set by the Finance Department based on overhead and total cost of operations for the respective divisions. Tables 3.2 illustrates the impact this has on the cost of operations, as you can see the back charges from street maintenance during FY2010 were nearly \$40,000 over the previous year.

The nearly doubling of the operational costs for Recycling Collection is due to the major expansion of the City’s Curbside Recycling Collection to include all clean paper products. This required the addition of one Teamsters Union Employee (an existing employee was transferred from the Street Maintenance Division to cover this position), a new truck and associated fuel and maintenance costs.

Table 3.2 – 3 Year Back Charge Rates and Cost History

Fiscal Year:	2008	2009	2010	2011 <sup>1</sup>	2012 Budget
Street Maintenance Back Charge Labor Rate (\$/Hr):	\$29.82	\$26.54	\$40.00	\$32.95	\$35.11
Street Maintenance Labor Hours:	2,514	2,115	2,452	1,705	1,500
Labor Cost to Refuse & Recycling:	\$74,966	\$56,139	\$98,080	\$56,167	\$52,655
Supervision Back Charge Labor Rate (\$/Hr):	\$29.41	\$27.35	\$27.80	\$25.63	\$26.70
Supervision Labor Hours:	1,351	1,501	1,400	1,605	1,560
Supervision Cost to Refuse & Recycling:	\$39,733	\$41,047	\$38,914	\$41,135	\$41,652
Total Street Maintenance Back Charges:	\$114,699	\$97,186	\$136,944	\$97,302	\$94,317

<sup>1</sup> Estimated, non-audited FY2011 year end data

The Back Charge Labor Rates are charged from Street Maintenance and include overhead and burden from the Street Maintenance Division as determined by the Finance Department. This includes items such as building maintenance, electricity, office equipment, and the like.

Reducing the FY2010 back charges by \$40,000 would significantly reduce the cost of providing services, bringing them more in line with previous years. Refer to Table 3.3 for a summary of this information.

Table 3.3 – Example #1 FY2010 Costs with Reduced Back Charges

FY 2010 Service Costs with a \$40,000 reduction in back charges.		
Description of Cost	Customer Rate	Reduction
Monthly Refuse Collection:	\$8.96	\$0.49
Monthly Cost per Recycling Bin:	\$2.09	\$0.13
Monthly Recycling Fee Needed:	\$2.02	\$0.12
Cost per Landscape Waste Bag & Bundle:	\$3.25	\$0.18

In comparison, if the Street Maintenance back charge rate for FY2010 was \$29.75/hour (an average of FY2009's and FY2011's back charge rates), this would result in a cost reduction of \$25,133 reducing costs of providing various services to the numbers as shown in Table 3.4.

Table 3.4 – Example #2 FY2010 Costs with Reduced Back Charges

FY 2010 Service Costs with a \$25,133 reduction in back charges.		
Description of Cost	Customer Rate	Reduction
Monthly Refuse Collection:	\$9.14	\$0.31
Monthly Cost per Recycling Bin:	\$2.14	\$0.08
Monthly Recycling Fee Needed:	\$2.06	\$0.08
Cost per Landscape Waste Bag & Bundle:	\$3.32	\$0.11

As you can see the volatility of the charge back rates has a significant impact on the cost of services. Stabilization of these rates would greatly improve the budgeting process and help to alleviate spikes in costs.

**Income vs. Expenses**

Table 4.1 below summarizes income for the Solid Waste Fund, by cost center, for the past four fiscal years.

Table 4.1 – Solid Waste Fund Income

Fiscal Year:	2008	2009	2010	2011 <sup>2</sup>	2012 Budget <sup>3</sup>
Interest Earnings & Sale of Property:	\$12,096	\$3,796	\$893	\$952	\$900
Residential Refuse Fees:	\$335,447	\$369,778	\$411,531	\$449,604	\$438,450
Commercial Dumpster Fees:	\$31,323	\$46,572	\$54,767	\$53,577	\$54,000
Special Pickup Fees:	\$6,464	\$5,020	\$6,496	\$6,068	\$6,500
Recycling Assessment Fees:	\$119,199	\$139,322	\$168,944	\$185,665	\$183,600
Landscape/Special Waste Stickers <sup>1</sup> :	\$10,252	\$11,379	\$9,523	\$11,307	\$10,500
Vacuum Leaf Collections <sup>1</sup> :	\$7,283	\$8,710	\$8,510	\$7,230	\$8,500
Total FY Income:	\$522,064	\$584,577	\$660,664	\$714,403	\$702,450
Total FY Expenses <sup>4</sup> :	\$612,328	\$640,509	\$787,269	\$792,316	\$830,035
Net Profit or Loss:	-\$90,264	-\$55,932	-\$126,605	-\$77,913	-\$127,585 <sup>5</sup>

<sup>1</sup> Actual income for sticker purchases or leaf collections (not based on the number of bags, bundles or leaf stops collected).

<sup>2</sup> Estimated, non-audited FY2011 year end data. <sup>3</sup> Estimated based on budgeted number of Refuse Customers, Recycling Assessment Fees and recent historical income information.

<sup>4</sup> Refer to Table 3.1 for detailed information, <sup>5</sup> this number should be considered the “worst case” scenario for FY 2012.

During FY2011 income increased \$38,703 for Residential Refuse Fees and \$29,622 for Recycling Assessment Fees, a total of \$68,325, as a result of the rate increases that were approved by City Council in April of 2008. The intent of these rate increases (as predicted in the Spring of 2007) were to “break even” in FY2011; however, due to increases in fuel, maintenance, as well as the expansion of the recycling program in the Summer of 2009, the established rate increases were not sufficient to cover the costs of operation in FY2011. Moving forward it will be necessary to increase rates to cover the ever rising costs of equipment, fuel and labor. Table 4.2 summarizes anticipated income vs. expenses for FY2012.

Table 4.2 – FY2012 Anticipated Income vs. Estimated Expenses<sup>4</sup>

	Income	Expenses	Net Income
Residential Refuse Collection <sup>3</sup> :	\$439,350	\$442,602	-\$3,252
Commercial Collection:	\$54,000	\$79,253	-\$25,253
Special Pickups <sup>1</sup> :	\$6,500	\$6,500	\$0
<b>Total Refuse Operations:</b>	<b>\$499,850</b>	<b>\$528,355</b>	<b>-\$28,505</b>
<b>Recycling Collection:</b>	<b>\$183,600</b>	<b>\$239,792</b>	<b>-\$56,192</b>
Landscape & Special Waste Collection:	\$10,500	\$44,708	-\$34,208
Vacuum Leaf Collection Disposal Fees <sup>2</sup> :	\$8,500	\$8,400	\$100
<b>Total Land. &amp; Spl. Waste Operations:</b>	<b>\$19,000</b>	<b>\$53,108</b>	<b>-\$34,108</b>
Total FY:	\$702,450	\$821,255	-\$118,805

<sup>1</sup> For budgeting and costing purposes Special Pickup expenses are assumed to equal their income.

<sup>2</sup> Labor and equipment is provided by the General Fund and is not included in the Refuse & Recycling Budget.

<sup>3</sup> Income includes interest earnings and sale of property. <sup>4</sup> Not including “capital costs” as listed in Table 3.1.

Expenses for FY2012 are budgeted to be about 16.9% more than income; this is primarily due to the commercial collection (dumpster) program, landscape and special waste collection programs, and the ever expanding recycling program. Historically the landscape waste bag and bundle program has been subsidized by the fees generated from Refuse and Recycling collection, as this service is simply unable to generate enough income to support itself. The main reason for this is that the disposal fees, coupled with the cost of the stickers, is nearly equal to the price for each sticker, please refer to Table 4.3 for detailed information.

Table 4.3 – Landscape Waste Bag & Bundle Cost Information

Description of Cost	Income/Expense
Sticker Income (Wholesale Sticker Price to vendors):	\$0.70
Printing Cost of Sticker:	-\$0.06
Net Income per Sticker:	\$0.64
Collection & Disposal Cost per Bag & Bundle (FY2011):	\$3.09
Net Subsidy Required per Bag or Bundle (FY2011):	\$2.45

**Financial Summary**

The Refuse and Recycling Division provides excellent services for minimal costs to the Citizens of Carbondale. FY2011 was the targeted “break even” year for the multi year rate increases that were established in April 2008; these increases were intended to be sufficient enough to cover the costs of the Refuse and Recycling Collection programs for FY2011, but they were not. There is a net loss of approximately \$118,805 predicted for FY2012. The predicted loss for FY2012 is primarily due to the commercial collection, Landscape Waste Bag and Bundle, and recycling programs. Therefore further fee increases and efficiencies must be explored to become solvent.

**Options for Improved Efficiencies and Revenues**

Refuse & Recycling Collection:

Option #1: Increase rates to cover the services and save funds for equipment replacements.

Action #1a – Continue a multi-year system of small annual rate increases, with first year (FY2012) increases of perhaps \$0.50 for Recycling (\$45,900 for FY2012) and \$0.50 for Refuse Collection (\$23,700 for FY2012). With future year increases of being in the \$0.15 to \$0.25 per year for each service.

Action #1b – Establish a monthly “Solid Waste Equipment Replacement Fee” of \$1.00 (\$47,400 annually), to be attached to each refuse bill, and placed in a reserve account for purchase of trucks, equipment, bins, dumpsters, and the like.

Action #1c – Establish a “Large Item Pickup” program or fee structure that would be a pay per use program for citizens to dispose of furniture, mattresses, and other large items. This could be accomplished via a “Sticker” type program with costs in the range of \$3.00 to \$5.00 per sticker or a fee based program with charges automatically being billed to the customers refuse bill. Stickers, rules, and fees could be similar to:

### **LARGE ITEM PICKUP – PRE-PAYMENT STICKER**

- 1) Affix this Sticker to large pickup items only.
- 2) Place the items as the curbside for collection on your regular refuse pickup day; but not before 6:00PM on the day prior.
- 3) Any single item must be able to be easily handled by 1 or 2 persons, and must weigh less than 100 pounds.
- 4) **Stickers Required:** 1 for each: small chair, side table, short file cabinet, or other item up to 24” wide. 2 for each: twin mattress or box spring, chair, dresser, bookshelf, or other item up to 36” wide. 3 for each: love seat, chest of drawers, shelf unit or other item up to 48” wide. 4 each for: larger mattress or box spring, entertainment center, couch, or other furniture up to 60” wide.
- 5) Please call (618) 457-3275 to schedule a pickup or if you have any questions.

Action #1d – Scale back the current Commercial Collection program to only include City of Carbondale properties and facilities and downtown City parking lot dumpster enclosures.

Action #1e – Make it mandatory for Citizens to use the City’s curbside refuse program, this would generate additional fees as well as make certain that everyone who receives our service is paying for it. This may require provisions for elderly and/or disabled residents who may not be able to get their refuse containers to the curbside.

Option #2: Formalize quantity limits for refuse collection and establish charges for additional refuse.

Action #2a – Formalize the current practice of limiting curbside refuse collection to one cubic yard (202 gallons, approx 6 – 33 gallon trash cans); or perhaps a smaller limit of 4 cans.

Action #2b – Initiate a “roll out cart” program, wherein refuse would only be collected from carts as provided by the City. This would require the purchase of carts and cart tipping equipment for the trucks. Estimated costs are \$215,000 for 4,500 ninety-six (96) gallon carts and \$17,000 for cart tippers.

Action #2c – Make over the limit charges automatic and mandatory. This would work best as a flat fee per extra bag or can, perhaps \$2.00 each. But there may also be occasions where a timed collection with minimum charges, similar to the current “special collection” process would be more prudent; this would depend largely on what was placed curbside. Also this additional charge system could work for large items as noted in Action #1c above.

Action #2d – If a “roll out cart” program is initiated, fully automated (one man) equipment could be purchased in the future, currently a fully automated truck is about \$212,000 vs. a rear load truck at \$145,000.

Landscape and Special Waste Collection:

Option #3: Generate additional revenues to cover the costs of these programs, the annual expenses for these programs for FY2012 are approximately \$45,000.

Action #3a – Raise the Special Waste Sticker Cost to \$1.00 per sticker (\$0.95 wholesale); this could generate an additional \$3,250 per year.

Action #3b – Create a new Landscape Waste Assessment Fee similar to the Recycling Assessment Fee. This fee could fully support the Landscape and Special Waste Programs as well as provide additional revenues for other uses. A fee of \$0.50 per month would generate \$45,900; \$0.75 would generate \$68,850; or a fee of \$1.00 would generate \$91,800 annually.

Option #4: Additional revenues from a Landscape Waste Assessment Fee could be used to subsidize and expand the Landscape Waste Program to include a “Brush and Woody Debris” drop off site. This would minimize collection of “bundles” of landscape waste as well as provide a much needed service to our Citizens. It would also make a “Landscape Waste Assessment Fee” more palatable for Citizens.

Action #4a – Create a location where Citizens could drop off brush and woody debris. This site would be open on the first and second Fridays of the month from 8AM to 3PM and would have a “gate fee” of \$5.00 to \$10.00 per pickup truck or small trailer load. Debris would be ground and disposed of by a contractor on a bi-monthly basis as needed.

**Recommendations**

Refuse and Recycling Collection:

All things considered the fees generated for the Refuse and Recycling Collection programs are collectively covering the costs of these programs. However, there are currently no monies being put back for equipment purchases and other capital items. Therefore I would recommend that the following be pursued to generate additional revenues: Action #1a and Action #1b, Table 5.1 summarizes these proposed rate increases for the next three fiscal years.

Table 5.1 – Proposed 3 Year Refuse & Recycling Fees

Fiscal Year:	2011	2012	2013	2014
Monthly Refuse Fee:	\$9.50	\$10.00	\$10.20	\$10.40
Monthly Recycling Assessment Fee:	\$2.00	\$2.50	\$2.70	\$2.90
Solid Waste Equipment Fee:	\$0.00	\$1.00	\$1.00	\$1.00
Total Monthly Fees:	\$11.50	\$13.50	\$13.90	\$14.30
Percent Increase over Previous Year:	n/a	17.4%	2.96%	2.87%

These increases will still keep our fees well below that of the local private haulers which currently range from \$15 to \$18 per month for limited service (i.e. 70 to 95 gallons per week of refuse).

Coupled with the above rate increases, I believe that there are some efficiencies that can realized by exploring these items:

Action #1d - The commercial collection program currently includes numerous churches, the senior citizens center, the public library, mosquito abatement, park district, and township offices. Limiting this program to City Properties and facilities would reduce the number of customers by 40% (20 customers) still leaving us with 30 pickup locations. If there is no desire to reduce the number of customers we serve, then I would suggest implementing a tier style rate system with City Facilities receiving a “discounted” rate.

Action #2a – Formalizing and placing strict limits on the amount of refuse will reduce disposal costs and labor hours; this will inherently reduce the expenses and likewise the cost of service. (This would be best accomplished via Action #2d, though a significant investment (\$232,000) would be necessary.

Action #2c – Making over the limit charges (as established by Action #2a) mandatory and automatic will generate additional revenues to cover the disposal costs and labor time associated with collecting any excess refuse. Careful consideration should be given to how this process will work prior to initiating it; it will require seamless teamwork between multiple City Divisions (Refuse & Recycling, Finance, etc.) and employees in order to be successful.

Action #1c – A large item pickup program ties in nicely with Action #2a and Action #2c, as this gives citizens defined options to dispose of some larger household items; as well as generates revenues to help cover disposal and labor costs. This could be accomplished via a sticker type program or simply by establishing large item fees and billing the customer.



## Landscape and Special Waste Collection:

These programs have historically been subsidized by other revenues. I do not feel that the sticker price can be raised enough to cover the costs of these programs. Citizens currently pay \$0.75 for each special waste sticker; I believe that it would be unacceptable to most citizens to pay \$3.50 for these. Therefore I recommend that these options be explored:

Action #3c – Creating a “Landscape Waste Assessment Fee” for each water/sewer account (similar to the Recycling Assessment Fee) could provide the funds necessary to properly subsidize these programs as well as generate revenues that could be used to offer additional much needed landscape waste options to citizens. I recommend a Landscape Waste Assessment of \$1.00 per month be put in place.

Action #4a - Along with the \$1.00 per month Landscape Waste Assessment Fee as proposed above I would also recommend that we give back to our Citizens by establishing a “Brush and Woody Debris” drop off site. I see this type of site being open to the public on a limited basis 2 to 4 days per month. Citizens would only be able to drop off debris when this site was staffed for a nominal “Gate Fee” of \$5.00 to \$10.00 per pickup truck or trailer load.

### Summary:

The City of Carbondale has a long history of providing its’ Citizens with Refuse, Recycling, and Landscape Waste Collection at a reasonable cost. With modest increases in fees I believe that we can cover the costs of these services, save funds for equipment replacements, and continue to provide these services to our Citizens better and cheaper than private haulers can. I believe that we have an excellent handle on the costs of our operations and have been diligently working to improve efficiencies and reduce expenditures, while expanding and improving the services provided to the Citizens of Carbondale.

In my opinion, there is no substitute for providing these operations in-house, this gives the City full control over the cleanliness of our City and enables us to provide timely response to the “trash piles” that manifest in the spring and late summer.

I have outlined numerous options and actions each of which can improve our operations in some form or fashion. What I consider to be the most viable and least costly are included in my recommendations. I would be happy to sit down and discuss any of the other items or suggestions as well as answer questions you or other City staff may have.