

**Amendment 8(a) – Implement a phased-in approach to direct or full cost recovery for Solid Waste Service multi-family collection to apartments (potentially implemented in spring 2017)**

**Amendment Summary**

Direct Cost Recovery Option

The proposed amendment would:

- Increase the FY2017 residential solid waste services fee from \$25 to \$33 per unit annually for all apartments on a pro rata basis with a beginning implementation date of April 1, 2017; the resulting FY2018 residential solid waste services fee would be estimated at \$56 per unit annually when fully implemented but could be more or less driven by market rates at a future time.
- The fee increase will generate an additional \$823,000 in General Fund revenue for FY2017; the corresponding revenue increase in FY2018 would be estimated at \$3.19 million when fully implemented at \$56 per unit annually but could be more or less driven by market rates at a future time.

**Full Cost Recovery Option**

The proposed amendment would:

- Increase the FY2017 residential solid waste services fee from \$25 to \$35 per unit annually for all apartments on a pro rata basis with a beginning implementation date of April 1, 2017; the resulting FY2018 residential solid waste services fee would be estimated at \$64 per unit annually when fully implemented but could be more or less driven by market rates at a future time.
- The fee increase will generate an additional \$1,029,000 in General Fund revenue for FY2017; the corresponding revenue increase in FY2018 would be estimated at \$4.01 million when fully implemented but could be more or less driven by market rates at a future time.

**Background**

As part of the FY2016 budget development process, the City took the initial step toward cost recovery by requiring commercial small-businesses to pay a service cost recovery fee during FY2016 for trash collection. Council also requested further evaluation on multi-family collection service and referred the topic to the Council Environment Committee. To date this evaluation has included staff input, Council Committee review and multiple public forums to engage community stakeholders.

The proposed FY2017 policy amendment is another step toward service cost recovery by requiring commercial multi-family entities to pay a higher service cost recovery amount for trash collection.

**Amendment 8(b) – Increase the Solid Waste fee by \$3 for residential and multi-family collection**

**Amendment Summary**

The proposed amendment would:

- Increase the FY2017 residential solid waste services fee from \$25 to \$28 per unit annually for all single-family, condos, townhomes, and apartments.
- The fee increase will generate an additional \$976,000 in General Fund revenue.

**Background**

Since 1996, the City of Charlotte has been incurring tipping fees from the County. The City incurs tipping fees per the terms of the solid waste interlocal agreement. The tipping fees are assessed on a per ton basis for disposal. The current tipping fees are \$29 per ton at the landfill and \$19 per ton at compost central.

The County has proposed an increase to the FY2017 landfill tipping fee of \$1.50 per ton to \$30.50 per ton and an increase to the compost central tipping fee of \$2.00 per ton to \$21.00 per ton. The last tipping fee increase occurred in FY2013. The higher County tipping fees will result in higher disposal costs for the City. The increase in the solid waste services fee will cover the higher disposal costs from the County.

**Table 9** below outlines the \$976,000 revenue increase to the FY2017 operating budget associated with increased fees.

**Table 9**

<b>Additional FY2017 Solid Waste Services Fee Revenue</b>	
Increase Single Family Residential Solid Waste Services Fee \$3/unit	\$667,000
Increase Multi-Family Solid Waste Services Fee \$3/unit	\$309,000
<b>Total Revenue Increase</b>	<b>\$976,000</b>