

# Council Questions/Comments and Staff Responses Report for November 25, 2013

as of November 25, 2013 at 12:30pm

## **REGULAR AGENDA**

**Alderman:** Rob Fazzini

**Item 7A:** Presentation of the FY2013 Comprehensive Financial Annual Reports as Audited by Sikich

**Question/Comment:** Most recent bond ratings show the City of Bloomington at AA+ by Fitch and Aa2 by Moody's not AA as indicated in the Financial Impact portion of the proposal!

**Staff Response:** The intention of this statement was to take into account ratings from both agencies - where the City is considered a solid "AA" community.

**Alderwoman:** Jennifer McDade

**Item 7B:** Financial and Programmatic Policy Options Related to the Solid Waste Program

**Question/Comment:** Does this reflect the feedback provided by Aldermen over the last several weeks?

**Staff Response:** The three policy options provided to Council are staff's best attempt to summarize and practically incorporate the comments and suggestion shared over the past several weeks.

**Alderwoman:** Karen Schmidt

**Item 7A:** Financial and Programmatic Policy Options Related to the Solid Waste Program

**Question/Comment:** I re-read the public input from our July 22, 2013 report. I don't see how the options in our Council packet align strongly with citizen feedback in the area of cost increases and suggestions for bulk waste. (<http://www.cityblm.org/modules/showdocument.aspx?documentid=5489-public> input starts on page 21.) Thanks for amending the proposal regarding brush pick-up.

Regarding Option A (and I am assuming Option B as well):

1. How would the low-income cost containment work?
  - a. **Staff Response:** Residents meeting low-income requirements as defined by the US Department of Health and Human Services would be eligible for a rate freeze of \$16.00 per month for solid waste services.
2. If we do continue offering services for rental units, would we allow renters to apply?
  - a. **Staff Response:** Staff's proposal would only allow renters meeting low-income requirements to successfully apply for low-income benefits.
3. If landlord pays water, then the cost is likely to be a pass-through.
  - a. **Staff Response:** n/a
4. I also have concerns for rising costs for senior citizens, whose income is often static and whose solid waste is generally minimal. I look forward to our discussion.
  - a. **Staff Response:** n/a

**Alderwoman:** Judy Stearns

**Item 7B:** Financial and Programmatic Policy Options Related to the Solid Waste Program

**Question/Comment:**

1. Comment: I agree I do not see how citizen feedback lines up with the proposals for solid waste disposal. I am interested in a low income proponent, however, I feel many citizens would not want to be considered "low income" due to any stigma they might feel. While those who might not have that concern might qualify, I am concerned about the administration for the City of regulating who does and does not qualify and enforcing that.
  - a. **Staff Response:** There are other departments and programs provided by the City which currently provide low-income discounts. The Parks, Recreation and Cultural Arts Department offers qualifying individuals discounts for various youth recreation programs based on extenuating financial circumstances. The City's PACE Department also administers Community Development Block Grant funds based on low-income criteria.
2. I advocate a "clean up" day at least bimonthly for household bulk waste. I recommend it be free of charge. This will still greatly reduce the cost of picking this up, and promote a clean city.

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- a. **Staff Response:** n/a
3. I do not advocate immediately charging for something that has been unlimited for years.
  - a. **Staff Response:** n/a
4. On further thought, and comments from residents, I do not believe we as a City can possibly make a fair and consistent rule about low income households. Many, many households are suffering in this recession and time where income is actually falling instead of rising. I do not recommend raising the \$15.00 fee for the smallest container at this time.
  - a. **Staff Response:** n/a
5. I recommend an immediate initiative in conjunction with the BPD to begin an anti-littering campaign to actually reduce littering in the City and get a proactive approach to the anticipated problem of “dumping” as a result of the more restrictive refuse rules.
  - a. **Staff Response:** n/a
6. Where is the cost savings on automated garbage trucks? Common sense dictates that the cost per household should be less with the automated trucks.
  - a. **Staff Response:** As stated in the memo to Council, the purchase of the new automated vehicles and containers represents a long-term investment intended to reap long-term savings. “Automated curbside recycle collection is now fully implemented with automated trash collection soon to follow. However, fees to fund the program have continually needed to rise with the FY2013 budget inclusion of a \$2.00 increase from \$14.00 to \$16.00 per month to customers. The fees collected by the City have never fully covered the cost of the program as the City has historically subsidized the operations through the General Fund (or tax payers). Over the past several fiscal cycles, the City has intentionally reduced the General Fund subsidy which has minimized the need to raise General Fund revenues such as property taxes or sales taxes to support the growing costs of solid waste operations. Due to increased operational costs such as personnel, fuel, disposal fees, debt service, volatile commodity rates, and a budget shortfall in FY2013, the General Fund transfer for FY2014 will be significantly higher than previous fiscal cycles (approximately \$2.6 million), with future projected subsidies remaining at this higher level. Recent solid waste budgets have also been unsustainable due to the exclusion of capital maintenance in efforts to keep costs low to consumers while weathering the great economic recession. The purchase of the new automated vehicles and containers has addressed this deferred maintenance issue but represents a long-term investment intended to reap long-term savings.” Additionally, automated collection will reduce labor costs due to the decreased need for seasonal labor with the transition from 3-man collection crews to one-man collection crews. Staff projections account for this decrease in expenditures. Finally, workers compensation claims are also expected to decrease with the implementation of automated collection practices. Citywide, lower back injuries accounted for 96 Workers’ Compensation claims (22 percent) from May 1, 2008, to April 30, 2013, making them the most common injuries suffered by employees. Paid claims for the 96 injuries totaled \$928,756.

**Alderman:** Jim Fruin:

**Item 7B:** Financial and Programmatic Policy Options Related to the Solid Waste Program

**Comments:**

1. Thank you for the countless hours that Staff has put into this evaluation, to include the multiple forums of Public Input acquired over an extended period of time.
2. I especially appreciate your sharing of the Council input which shows a wide range of community opinion, and differing Council perspectives and recommendations.
3. We pride ourselves on being an Inclusive and non-discriminatory community, but to create a differentiation of Billing practices, can result in unintended consequences of equity and perhaps a

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division of residents. I believe our interest to help out Senior resident, is best served by the existing Senior Citizens Homestead Exemption and the Senior Citizens Assessment Freeze.

4. I have a keen desire to keep forthcoming changes as seamless as possible, with the implementation and management to be handled as efficiently as possible without creating additional Staff resources.
5. Whatever changes are decided upon, it needs to be introduced with an effective education campaign with the bottom line being a simple program that is easy to understand.

**Staff Response:** n/a

**Alderman: Scott Black**

**Item 7B: Financial and Programmatic Policy Options Related to the Solid Waste Program**

**Question/Comment:**

1. I need some clarification. I thought we spoke about a threshold for apartment participation in the solid waste program a few months back. Is that conversation reflected in the proposed program? Does an apartment owner who is not participating the City Service still get charged? If so, is there a way to opt out?
  - a. **Staff Response:** Staff did propose to Council on September 23, 2013 discontinuing service to apartment buildings containing 5+ units. This proposal was not approved. Apartments not participating in City Solid Waste Services are not charged. There are many private apartments within City limits that opt for private service. However, there are some apartment buildings which opt to have both private and City service. The City's bulk waste program has been cited as the reasoning behind this. Apartment buildings which utilize private service and have opted out of City service may also be billed for services rendered in instances where items have been left on the curb for long periods of time. In these instances, City crews will collect the wastes and bill for the removal.
2. What is the current ordinance for illegal dumping? What are the fines? I'd like to see our solid waste program come into effect with a massive increase in fines for illegal dumping.
  - a. **Staff Response:** Chapter 38, Section 21 of the City's Code establishes rules and fines for littering. Any person violating any of the provisions of this section are subject to fines not less than \$100.00 nor more than \$500.00 for each offense.
3. What is the mechanism to fund our limited income program? Will this be subsidized through the general fund?
  - a. **Staff Response:** The proposed low-income program would allow for qualifying individuals to continue to pay \$16.00 per month for solid waste services while user fees are increased in FY2015. The foregone revenue would be absorbed by user fees and the General Fund through FY2018.
4. How does the proposed medium approach address units of apartment buildings? So, let's say that I have a 4 unit apartment building am I charged for each container at each unit? Could consolidation be an option? For example, if my 4 unit building could all fit into 1 95 Gallon Container, could I do this?
  - a. **Staff Response:** Staff's recommendation as proposed would charge for each unit within the building, as is current practice. Consolidation was examined by staff but it was found to present a significant administrative burden and as well as ownership issues. This approach was not recommended by staff.

Prepared by: Barbara J. Adkins, Deputy City Manager