

Debra Thompson

From: Karl Hagerman
Sent: Wednesday, March 04, 2015 12:03 PM
To: Stephen Giesbrecht; Assembly
Cc: Kathy O'Rear; Debra Thompson; Melinda Swihart; Jody Tow; Andy Edfelt; Chris Cotta; Karen Malcom; Derrick O'Soup
Subject: Potential Sanitation Rate increases

Steve and Assembly,

To clarify what rate increases may be necessary if the decision to stick with the blue bag recycling is made, I have the following information.

Currently approved and codified rate increases for the sanitation department will increase collection rates by 2% each year in 2015, 2016, 2017 and 2018. If we purchase carts and another truck, change the hours at the baler and bring the recycling collection in-house, these rate increases will result in a sanitation fund reserve ("savings account") amount of \$543,000 by end of fiscal year 2020.

To answer Kurt's question from the Monday meeting and if looking only at the currently proposed FY16 budget and what rates may need to be to stay with the blue bags, one goal could be to increase revenues to a level that achieves the same "budget position" as the currently proposed budget that included the change to a cart system. That would mean that we'll need to raise another \$55,000 through our collection rates in FY16 – which is equal to a 9% increase. Below is a quick summary of how this would affect various monthly user rates. The table shows the current rates today, the rates that are already approved for July 1, 2015 and the potential 9% increase if we stay with the bags and Contractor. Additional rate increases would need to be put into place to reach the aforementioned savings account balance by 2020, but this email does not address those additional increases.

	Current rate	Codified 2% Inc. 7/1/15	Blue Bag Program Increase 9%
32 gal/recycling rate	\$28.19	\$28.75	\$30.73
32 gal/ 1 pickup per week	\$33.83	\$34.50	\$36.87
64 gal/ 1 pickup per week	\$50.06	\$51.06	\$54.57
96 gal/ 1 pickup per week	\$58.73	\$59.90	\$64.02
1 ½ yd / 1 pickup per week	\$170.18	\$173.58	\$185.50
1 ½ yd / 3 pickups per week	\$504.52	\$514.61	\$549.93

3 yd / 1 pickup per week	\$316.45	\$322.78	\$344.93
3 yd/ 3 pickups per week	\$943.35	\$962.22	\$1,028.25

This was a very quick look at possible rates but please let me know if there are any questions.

It sounded like Kurt had a number of questions about the whole cart/truck scenario and the information I had disseminated prior to the last meeting so this is an invitation to Kurt, or any other Assembly member, to give me a call so I can answer any questions that exist. I'm leaving Petersburg on the 10th for a family vacation but will be calling into the meeting on the 16th (if possible) to be available for questions at that time.

Thanks to everyone for your consideration of my recommendations to move to a cart based recycling system and lessen the annual burden on our ratepayers.

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