



# SOLID WASTE SERVICES

## CITY OF PHOENIX PUBLIC WORKS DEPARTMENT

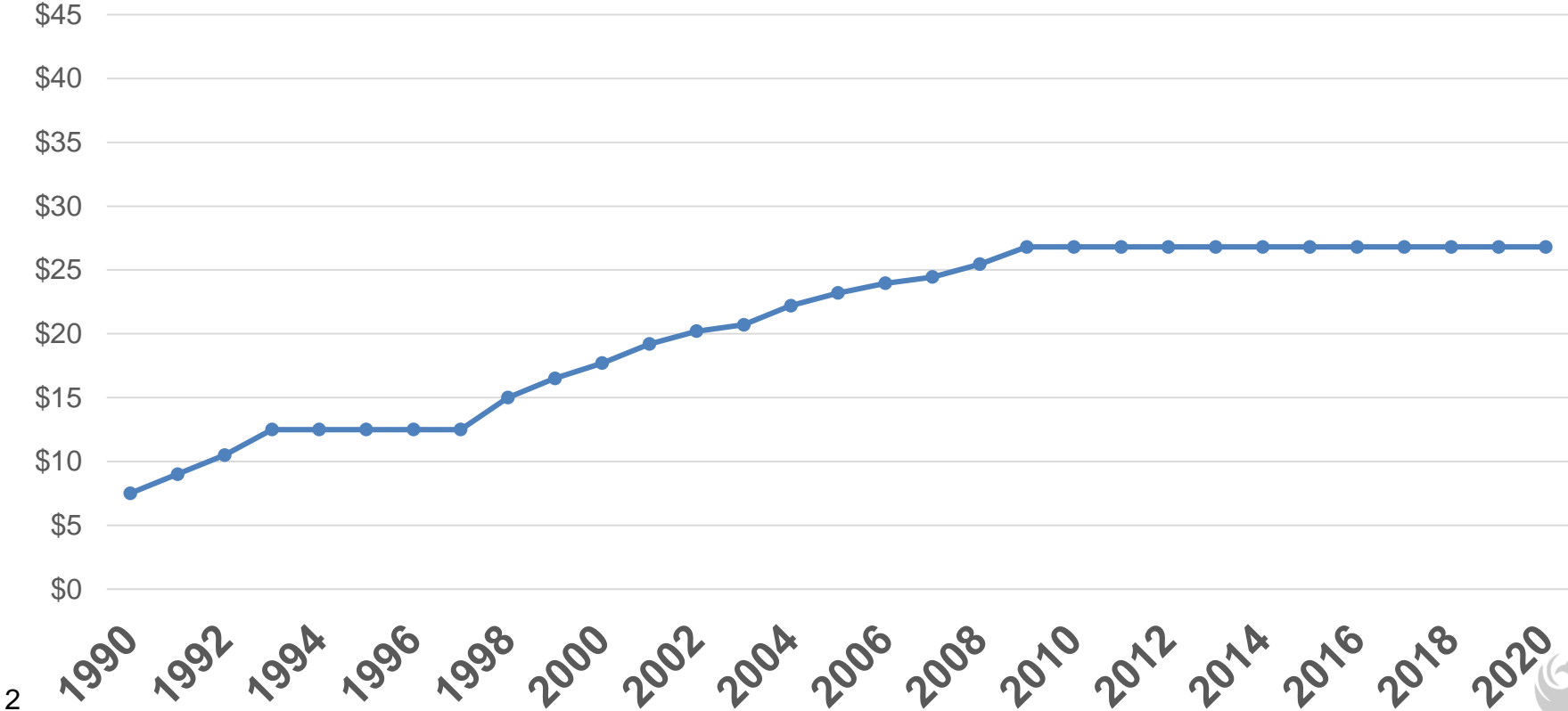


City of Phoenix

# 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**



## **SOLID WASTE SERVICES**



**BULK TRASH  
COLLECTION  
4X A YEAR**



# SOLID WASTE SERVICES



# SOLID WASTE SERVICES





# SOLID WASTE SERVICES

**\$26.80**  
MONTHLY BASE RATE



**HOUSEHOLD HAZARDOUS  
WASTE  
9X A YEAR**

# OUR ASSETS

600 SOLID WASTE  
EMPLOYEES



# OUR ASSETS

**433  
TRUCKS**





## OUR ASSETS



## OUR ASSETS



**1 ACTIVE  
LANDFILL**



## OUR ASSETS



**5 CLOSED  
LANDFILLS**



# WHY WE PROVIDE THESE SERVICES

- 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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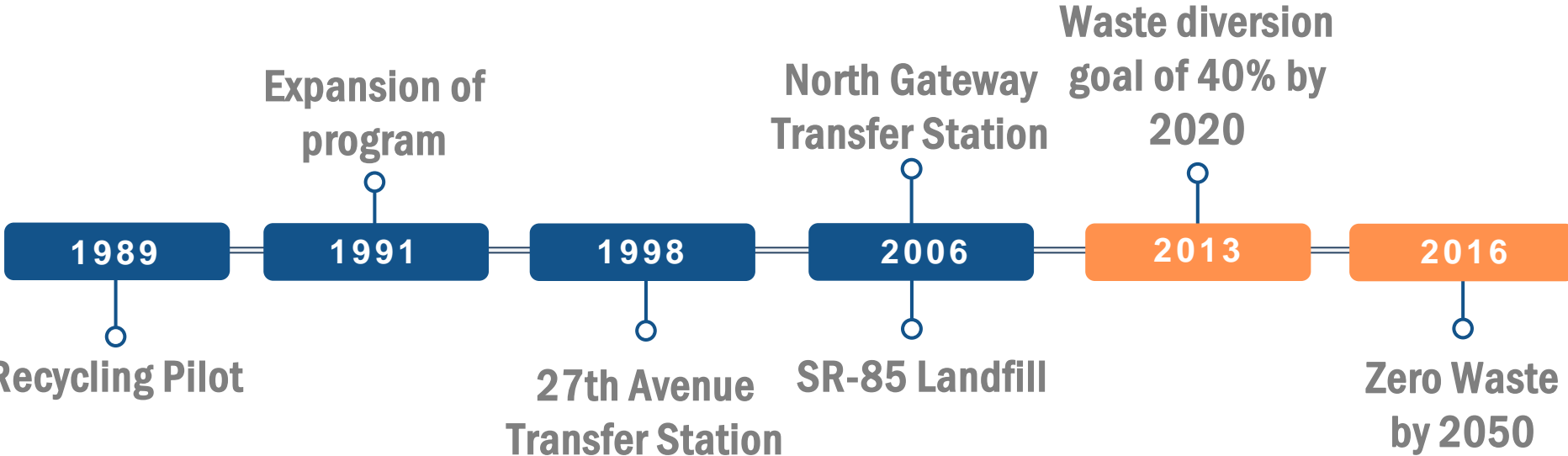


# PHOENIX RECYCLING PROGRAM

1989



# PHOENIX WASTE DIVERSION TIMELINE





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

Three-pronged approach







**EXPAND COMMUNITY  
OUTREACH**





**ENHANCED SOLID  
WASTE SERVICES**







# NATIONAL WASTE DIVERSION RATE ..... 34%



..... 36%



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



..... 38%



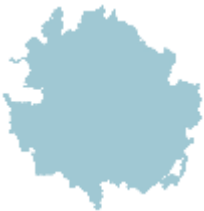
..... 36%



..... 19% 

# COMPARISON OF SOLID WASTE FEES

**AUSTIN**  
**\$51.80**



**298 sq. mi.**

**LOS ANGELES**  
**\$36.32**



**468 sq. mi.**

**SAN ANTONIO**  
**\$29.00**



**460 sq. mi.**

**DALLAS**  
**\$27.29**



**340 sq. mi.**

**PHOENIX**  
**\$26.80**



**518 sq. mi.**



# COMPARISON OF SOLID WASTE FEES

\$30.18



\$26.80



\$25.60



\$22.80



\$21.80



133 sq. mi.

518 sq. mi.

40 sq. mi.

191 sq. mi.

62 sq. mi.

population  
496,000

population  
1.6M

population  
185,000

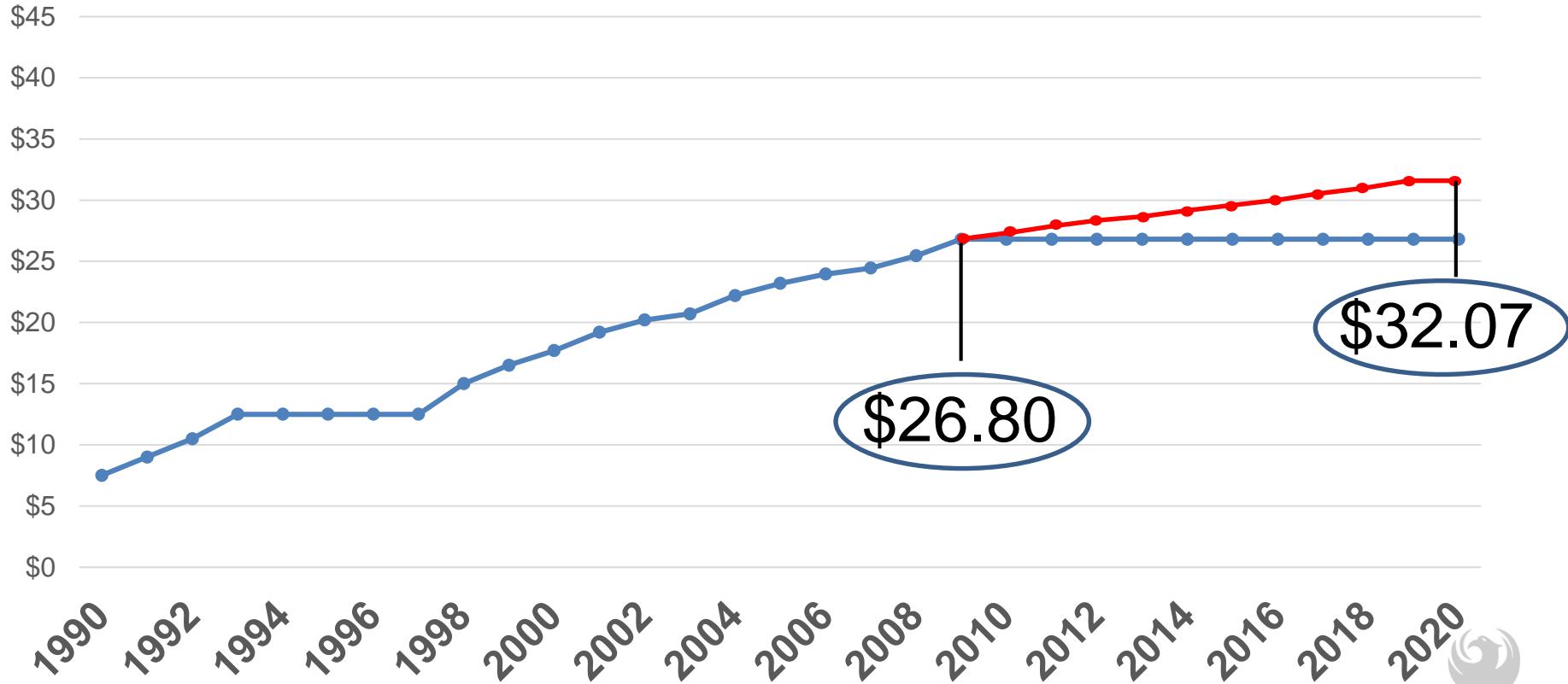
population  
80,000

population  
246,000

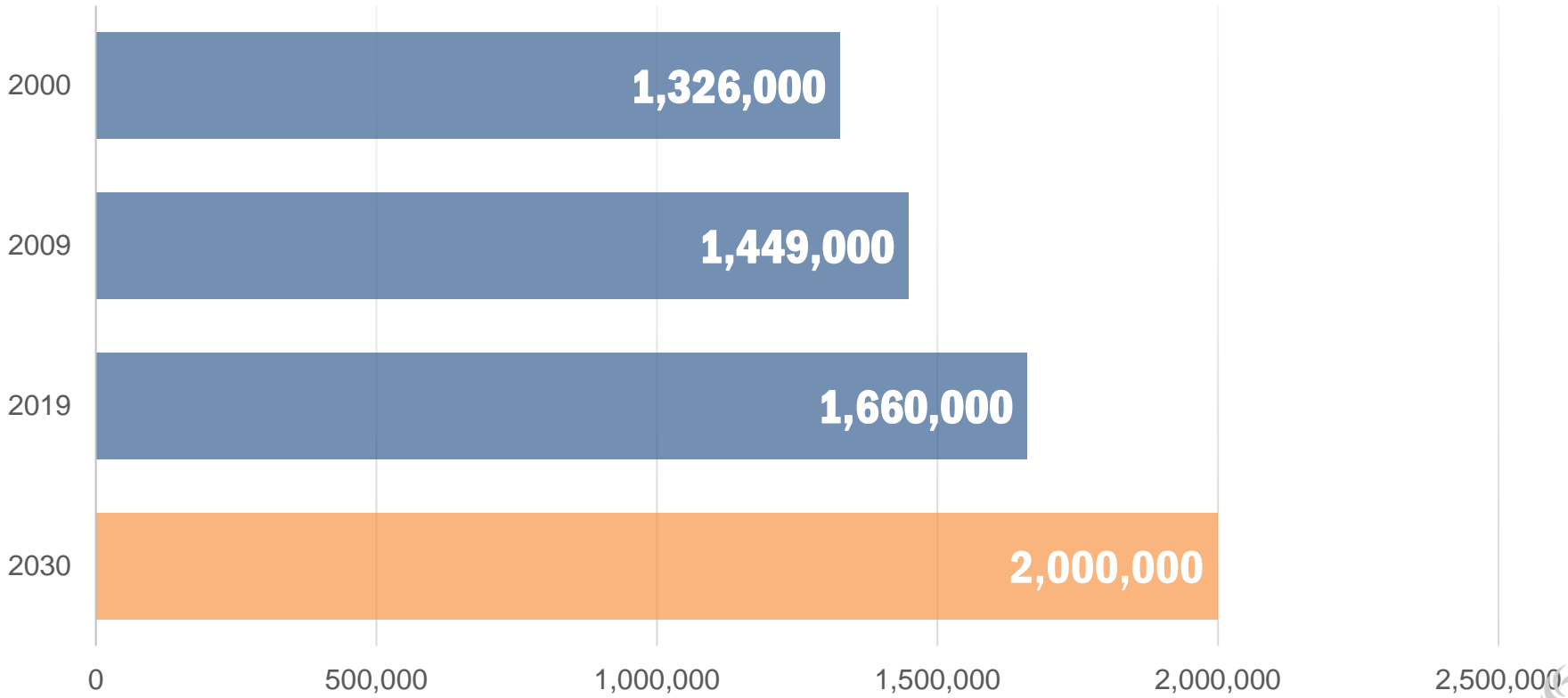




# SOLID WASTE RESIDENTIAL RATES



# 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 wallow the recycling industry



### Two dozen types of scrap imports banned by China in 2018

Mid-Range steel document prohibits polystyrene, plastic, and one type of uncoated paper. Industries generated plastic scrap remains problematic.

## 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. His expertise says it offers an opportunity to develop better solutions for a growing throwaway culture.*

REPORT

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

By Kathleen Cummings | April 22, 2019

Economics

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

28  
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 OPERATIONAL CHALLENGES



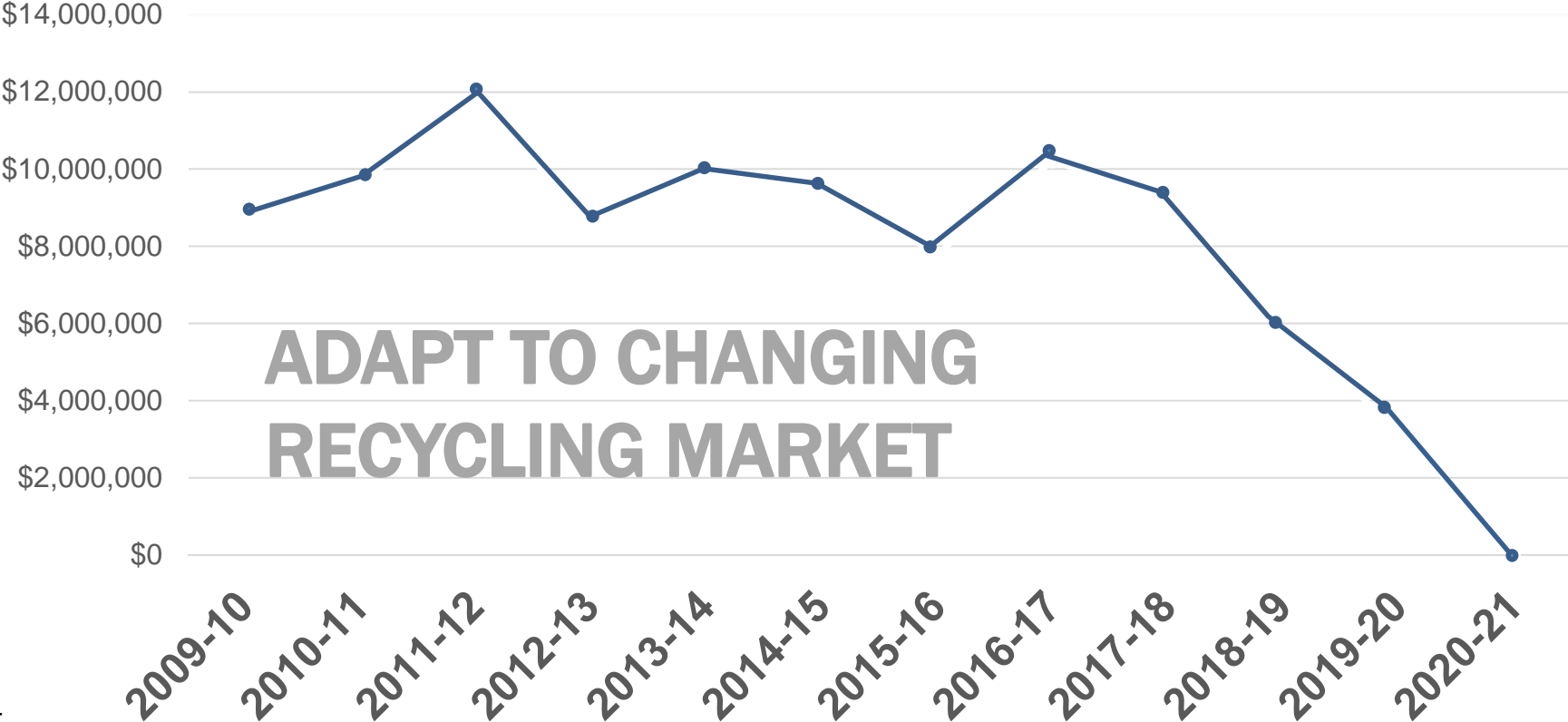
**INVEST IN CAPITAL  
INFRASTRUCTURE**



# CURRENT OPERATIONAL CHALLENGES



# 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**

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

**\*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

