

Note: On 5-6-08, action on this item was postponed to 8-19-08.
NOTICE OF RECONSIDERATION WAS
GIVEN BY MR. FLYNN ON 5-7-08;
RECONSIDERED 5-20-08; ACTION
WAS POSTPONED TO 6-10-08

Submitted by: Chair of Assembly at the
Request of the Mayor
Prepared by: Solid Waste Services
For reading: April 15, 2008

See AO 2008-62(S)

ANCHORAGE, ALASKA

AO No. 2008-62

1 **AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE CHAPTER 26.80**
2 **TO ADD A NEW SECTION FOR A SURCHARGE TO SUPPORT COMMUNITY**
3 **RECYCLING INITIATIVES AND AMENDING SECTION 26.70.040 TO ADD THE**
4 **SURCHARGE FEES.**

5
6 **THE ANCHORAGE ASSEMBLY ORDAINS:**

7
8 **Section 1.** Anchorage Municipal Code chapter 26.80 is amended to add a new
9 section for a surcharge to solid waste disposal fees to support community recycling
10 initiatives as follows (*the remainder of the chapter is not affected and therefore not*
11 *set out*):

12
13 **26.80.060 Surcharges to support community recycling initiatives.**

- 14
15 A. The solid waste disposal utility shall implement community-wide
16 initiatives to support reduction, recycling, and reuse of waste products
17 that is otherwise disposed of at the landfill.
18
19 B. The solid waste disposal utility shall collect a surcharge on all wastes
20 delivered to solid waste transfer or disposal facilities to finance the
21 implementation of these initiatives.
22
23 1. Each user delivering waste to a solid waste transfer or disposal
24 facility in quantities weighing less than 1,000 pounds, and with
25 a total volume of less than 5 cubic yards, shall be assessed a
26 surcharge to the existing disposal fee of \$1.00 per visit.
27
28 2. At solid waste transfer or disposal facilities with working scales,
29 each user delivering waste in quantities weighing more than
30 1,000 pounds or with a total volume greater than 5 cubic yards
31 shall be assessed a surcharge, added to the existing tipping
32 fee, of \$8.00 per ton of waste delivered.
33
34 3. At a solid waste transfer or disposal facility with no operational
35 scales, each user meeting the requirements of subsection B.1.
36 shall pay a surcharge to the existing tipping fee of:
37

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36

- a. \$1.60 per cubic yard of non-compacted solid waste, as measured by the facility attendant; or
- b. \$3.20 per cubic yard of compacted waste as measured by the facility attendant.

C. Fees collected through the surcharge in this chapter shall be used by the solid waste disposal utility for capital development costs, operating costs, consulting fees, and management fees associated with recycling programs, as approved by the Director. Fees may also be used to offset lost revenues to the disposal utility incurred due to diversion of waste tonnages to recycling efforts.

Section 2. Due to increased operating costs to the Refuse Collection Utility as the result of implementation of this surcharge, Anchorage Municipal Code section 26.70.040, Service requests, rates and billing, is amended to read as follows (*the remainder of the section is not affected and therefore not set out*):

26.70.040 Service requests, rates and billing.

*** *** ***

C. *Rates, fees and charges.* Notwithstanding section 26.10.035, the following rates, fees and charges shall be assessed for municipal solid waste collection:

- 1. *Conventional can or bag service.*
 - a. *Basic monthly charge.* This rate covers the weekly collection of a maximum of four collection units, each unit consisting of one conventional 32-gallon garbage can or approved bag. The customer shall place all refuse for collection at the curbside or alley, within three feet of the drivable roadway or alley.

TABLE INSET:

Type of Service	Monthly Rate
Single-family residential	\$18.00 [16.35]
Multiple-family residential unit or mobile home or trailer court with more than one trailer or mobile home	18.00 [16.35]/unit
Business establishments, each unit consisting of four cans or bags. For each additional unit add \$18.00 [16.35]. For more than once weekly service,	18.00 [16.35]/unit

multiply units times number of days serviced	
--	--

*** *** ***

2. **Container service.** The following rates apply to the collection of solid waste from containers having a capacity of from one to eight cubic yards that may be emptied mechanically by a refuse collection vehicle:

CONTAINER SCHEDULE [- B].

Schedule-1 - Containers with Loose Refuse With One Operator.

Size	1 Time per Week	2 Times per Week	3 Times per Week	4 Times per Week	5 Times per Week	6 Times per Week	Twice Daily
1 1/4 cubic yards	<u>\$74.15</u> [\$70.27]	<u>\$148.10</u> \$140.40	<u>\$222.25</u> \$210.67	<u>\$296.45</u> \$281.00	<u>\$370.60</u> \$351.26	<u>\$444.70</u> \$421.53	<u>\$889.35</u> \$842.99]
2 cubic yards	<u>82.20</u> [77.94]	<u>163.55</u> 155.03	<u>246.80</u> 233.94	<u>329.10</u> 311.94	<u>411.40</u> 389.94	<u>493.70</u> 467.94	<u>987.35</u> 935.87]
3 cubic yards	<u>88.40</u> [83.79]	<u>176.90</u> 167.70	<u>265.40</u> 251.55	<u>353.90</u> 335.47	<u>442.40</u> 419.32	<u>530.90</u> 503.23	<u>1,061.90</u> 1,006.53]
4 cubic yards	<u>112.40</u> [106.54]	<u>224.90</u> 213.20	<u>337.40</u> 319.80	<u>449.90</u> 426.47	<u>562.30</u> 533.00	<u>674.90</u> 639.73	<u>1,349.90</u> 1,279.53]
6 cubic yards	<u>144.60</u> [137.09]	<u>287.90</u> 272.87	<u>431.80</u> 409.31	<u>575.70</u> 545.68	<u>719.70</u> 682.18	<u>863.65</u> 818.61	<u>1,727.35</u> 1,637.29]
8 cubic yards	<u>175.30</u> [166.14]	<u>350.70</u> 332.41	<u>525.90</u> 498.49	<u>701.20</u> 664.63	<u>876.50</u> 830.83	<u>1,051.90</u> 997.04	<u>2,103.75</u> 1,994.07]

Note: Containers 4, 6, and 8 cubic yards limited to household and light commercial wastes.

Schedule-2 - Containers with Compacted Refuse With One Operator.

Size	1 Time per Week	2 Times per Week	3 Times per Week	4 Times per Week	5 Times per Week	6 Times per Week	Twice Daily
2 cubic yards	<u>\$84.10</u> [\$79.69]	<u>\$168.20</u> \$159.45	<u>\$252.30</u> \$239.14	<u>\$336.40</u> \$318.89	<u>\$420.50</u> \$398.58	<u>\$504.65</u> \$478.34	<u>\$1,009.30</u> \$956.67]
3 cubic yards	<u>111.70</u> [105.89]	<u>223.50</u> 211.84	<u>335.35</u> 317.85	<u>447.10</u> 423.80	<u>558.95</u> 529.82	<u>670.75</u> 635.77	<u>1,341.30</u> 1,271.40]
4 cubic yards	<u>143.05</u> [135.59]	<u>286.15</u> 271.25	<u>429.20</u> 406.84	<u>572.25</u> 542.43	<u>715.40</u> 678.08	<u>858.40</u> 813.67	<u>1,716.90</u> 1,627.41]

Schedule-3 - Containers with Loose Refuse and Two Person Crew.

<i>Size</i>	<i>1 Time per Week</i>	<i>2 Times per Week</i>	<i>3 Times per Week</i>	<i>4 Times per Week</i>	<i>5 Times per Week</i>	<i>6 Times per Week</i>	<i>Twice Daily</i>
2 cubic yards	<u>\$167.70</u> [\$158.93]	<u>\$335.35</u> \$317.85	<u>\$503.05</u> \$476.84	<u>\$670.75</u> \$635.77	<u>\$838.40</u> \$794.69	<u>\$1,006.05</u> \$953.62	<u>\$2,012.25</u> \$1,907.36]
3 cubic yards	<u>218.60</u> [207.22]	<u>437.30</u> 414.51	<u>655.90</u> 621.73	<u>874.60</u> 829.01	<u>1,093.20</u> 1,036.23	<u>1,311.90</u> 1,243.52	<u>2,623.80</u> 2,487.03]
4 cubic yards	<u>270.80</u> [256.69]	<u>541.75</u> 513.50	<u>812.70</u> 770.32	<u>1,083.55</u> 1,027.07	<u>1,354.50</u> 1,283.88	<u>1,625.20</u> 1,540.50	<u>3,250.80</u> 3,081.33]
6 cubic yards	<u>431.05</u> [408.59]	<u>862.10</u> 817.18	<u>1,293.20</u> 1,225.77	<u>1,724.25</u> 1,634.36	<u>2,155.30</u> 2,042.95	<u>2,586.40</u> 2,451.54	<u>5,172.75</u> 4,903.08]

Schedule-4 - Containers with compacted Refuse and Two Person Crew.

<i>Size</i>	<i>1 Time per Week</i>	<i>2 Times per Week</i>	<i>3 Times per Week</i>	<i>4 Times per Week</i>	<i>5 Times per Week</i>	<i>6 Times per Week</i>	<i>Twice Daily</i>
2 cubic yards	<u>\$181.45</u> [\$171.99]	<u>\$363.05</u> \$344.11	<u>\$544.55</u> \$516.17	<u>\$726.15</u> \$688.29	<u>\$907.65</u> \$860.34	<u>\$1,089.10</u> \$1,032.33	<u>\$2,178.35</u> \$2,064.79]
4 cubic yards	<u>299.95</u> [284.31]	<u>599.95</u> 568.69	<u>899.90</u> 853.00	<u>1,199.90</u> 1,137.37	<u>1,499.95</u> 1,421.75	<u>1,799.90</u> 1,706.06	<u>3,599.85</u> 3,412.18]
6 cubic yards	<u>474.50</u> [449.74]	<u>948.95</u> 899.47	<u>1,423.55</u> 1,349.34	<u>1,898.00</u> 1,799.07	<u>2,372.55</u> 2,248.87	<u>2,847.10</u> 2,698.67	<u>5,694.20</u> 5,397.34]

*** *** ***

(CAC 11.12.030; AO No. 77-349; AO No. 78-119; AO No. 81-80; AO No. 82-225; AO No. 83-221; AO No. 85-202, 1-1-86; AO No. 86-203, 1-9-87; AO No. 88-170, 1-1-89; AO No. 89-51(S-3); AO No. 90-72; AO No. 2000-79, § 1, 5-16-00; AO No. 2004-80, § 1, 7-1-04; AO No. 2005-13, § 1, 2-15-05)

Section 3. This ordinance shall be effective June 1, 2008.

PASSED AND APPROVED by the Anchorage Assembly this _____ day of _____, 2008.

 Chair

ATTEST:

1
2

Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- Disposal Utility

AO Number: 2008-62

Title: *AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE CHAPTER 26.80 TO ADD A NEW SECTION FOR ADDING A SURCHARGE TO SUPPORT COMMUNITY RECYCLING INITIATIVES AND AMENDING SECTION 26.70.040 TO ADD THE SURCHARGE FEES.*

Sponsor: Mayor
 Preparing Agency: SWS
 Others Impacted: None

CHANGES IN REVENUES AND EXPENSES:		(In Thousands of Dollars)				
	FY08	FY09	FY10	FY11	FY12	
Operating Revenues:						
	\$ 1,280 1)	\$ 2,480	\$ 2,480	\$ 2,480	\$ 2,480	
		\$ (1,000) 2)	\$ (1,000)	\$ (1,000)	\$ (1,000)	
TOTAL OPERATING REVENUES	\$ 1,280	\$ 1,480	\$ 1,480	\$ 1,480	\$ 1,480	
Operating Expenses:						
	\$ 1,443 3)	\$ 1,354 4)	\$ 1,354	\$ 1,354	\$ 1,354	
TOTAL OPERATING EXPENSES	\$ 1,443	\$ 1,354	\$ 1,354	\$ 1,354	\$ 1,354	
Non-Operating Revenues:						
	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL NON-OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	
Non-Operating Expenses:						
	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL NON-OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	
NET INCOME (REGULATED)	\$ (163)	\$ 126	\$ 126	\$ 126	\$ 126	
POSITIONS: FT/PT and Temp	<i>0/2</i>	<i>0/2</i>	<i>0/2</i>	<i>0/2</i>	<i>0/2</i>	

PUBLIC SECTOR ECONOMIC EFFECTS:

1) Beginning July 1, 2008, Solid Waste Services (SWS) Disposal Revenue will increase due to a tipping fee increase for all customers using the landfill or transfer stations by \$8 per ton to offset costs anticipated by implementation of area-wide recycling initiatives. These fees will be collected on all revenue generating tons (currently 330,000 tons annually). Recycling initiatives will divert approximately 20,000 tons of waste annually starting in 2009.

2) Recycling initiatives will divert approximately 20,000 tons of waste annually and will result in an annual revenue loss of approximately \$1,000,000 at the current landfill tipping rate of \$50/ton, without corresponding reduction in operating costs.

3) SWS Disposal Expenses will increase \$1,417,000 annually due to: two additional recycling drop-off sites, school district recycling, public space recycling, compost facility clean-up, and public education; \$113,000 of Capital expense are excluded here. Expenses include additional Municipal Utility Service Assessment and revenue distributions associated with increased revenues.

4) Expenses in 2009 and subsequent years reflect a reduction in closure liability expense accrual and depreciation expenses associated with extending landfill life by reducing input tonnage.

SWS Collections Utility will be subject to this tipping fee increase which will increase operating costs. See attached SEE.

PRIVATE SECTOR ECONOMIC EFFECTS:

Customers, including commercial waste haulers, businesses and home owners using SWS transfer stations and disposal facilities will pay an additional \$8/ton of weighed garbage. Customers delivering waste to either the landfill or transfer stations will be assessed a surcharge of \$1 per vehicle.

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- Collections Utility

AO Number: 2008-62

Title: *AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE CHAPTER 26.80 TO ADD A NEW SECTION FOR ADDING A SURCHARGE TO SUPPORT COMMUNITY RECYCLING INITIATIVES AND AMENDING SECTION 26.70.040 TO ADD THE SURCHARGE FEES.*

Sponsor: Mayor
 Preparing Agency: SWS
 Others Impacted: None

CHANGES IN REVENUES AND EXPENSES:		(In Thousands of Dollars)				
	FY08	FY09	FY10	FY11	FY12	
Operating Revenues:						
	\$ 266 1)	\$ 529	\$ 529	\$ 529	\$ 529	
TOTAL OPERATING REVENUES	\$ 266	\$ 529	\$ 529	\$ 529	\$ 529	
Operating Expenses:						
	\$ 163 2)	\$ 332	\$ 332	\$ 332	\$ 332	
TOTAL OPERATING EXPENSES	\$ 163	\$ 332	\$ 332	\$ 332	\$ 332	
Non-Operating Revenues:						
	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL NON-OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	
Non-Operating Expenses:						
	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL NON-OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	
NET INCOME (REGULATED)	\$ 103	\$ 197	\$ 197	\$ 197	\$ 197	
POSITIONS: FT/PT and Temp	0/0	0/0	0/0	0/0	0/0	

PUBLIC SECTOR ECONOMIC EFFECTS:

1) Additional revenues reflect an increase in commercial dumpster rates increase by 5.5% and an increase in residential and other "can and bag" customer rates by \$1.65 per month for SWS Customers. The Utility collects approximately 41,500 tons annually.

2) Operating expenses reflect \$8/ton tipping fee increase paid to SWS Disposal Utility, effective July 1, 2008.

PRIVATE SECTOR ECONOMIC EFFECTS:

Collection rates are adjusted by this ordinance to generate additional revenue to offset tipping fee increases by Solid Waste Disposal Utility. SWS commercial collections dumpster rates increase by 5.5%. Residential and other "can and bag" customer rates will increase by \$1.65 per month for SWS Customers.



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM No. 261-2008

Meeting Date: April 15, 2008

From: MAYOR

Subject: AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE CHAPTER 26.80 TO ADD A NEW SECTION ADDING A SURCHARGE TO SUPPORT COMMUNITY RECYCLING INITIATIVES AND AMENDING SECTION 26.70.040 TO ADD THE SURCHARGE FEES.

As part of a Comprehensive Integrated Waste Management initiative, the Municipality of Anchorage, through the Economic & Community Development (ECD) and Solid Waste Services (SWS), intends to implement new programs in 2008 including:

- Additional facilities for drop off of recyclable materials within the community;
- Support for recycling in schools;
- Recycling bins in public venues; and
- Operation of a compost facility for recycling of organic wastes.

These programs are not anticipated to generate revenue, and require capital to develop facilities and purchase equipment, as well as funds for operating expenses. Annual costs for programs expected to be developed in 2008, including annual operating costs as well as amortized capital costs, are estimated to be:

Ongoing programs	\$325,000
Additional drop-off sites	\$352,000
School district recycling	\$326,000
Public space recycling	\$75,000
Composting clean-up	\$205,000
Public outreach & education	\$247,000
Total Area-Wide Services	\$1,530,000

In addition, implementation of these programs is predicted to reduce the tonnage of refuse delivered to SWS for disposal by approximately 20,000 tons. This decrease will result in a reduction in revenue to the SWS Disposal Utility by approximately \$1,000,000 at the current landfill tipping fee of \$50, without corresponding reduction to the utility's operating expenses. This surcharge provides additional revenues to ensure the Disposal Utility has adequate operating revenues.

To generate revenues to cover the costs to implement these new programs and to mitigate lost revenues to the refuse disposal utility, the Administration proposes adding a surcharge to all tipping fees collected at SWS-operated solid waste transfer and disposal facilities. Section 1 of the ordinance establishes a recycling surcharge of \$8.00 per ton to the current solid waste disposal tipping fee to fund these programs. Tipping fees are currently collected on approximately 330,000 tons annually.

With the addition of the surcharge to the current tipping fee, operating costs incurred by the SWS Refuse Collection Utility also increases. The Refuse Collection Utility pays the Disposal Utility at the same rate as all other users of the disposal facilities. Section 2 of

1 the ordinance allows the Refuse Collection Utility to recover costs from the utility's
2 customers associated with the increase in tipping fees by adjusting refuse collection rates
3 for residential and commercial customers. Rates for conventional can/bag service
4 increases by \$1.65 per month, and collection rates for customers using commercial
5 dumpster service rises an average of 5.5% per month. The actual increase in cost for
6 commercial customers is dependent on the size of container and frequency of collection.

7
8 Prepared by: Solid Waste Services
9 Approved by: Mark G. Madden, SWS Director
10 Concur: Sharon Weddleton, CFO
11 Concur: James N. Reeves, Municipal Attorney
12 Concur: Michael K. Abbott, Municipal Manager
13 Respectfully submitted: Mark Begich, Mayor

May 7, 2008

Linda Heim, Deputy Municipal Clerk
Municipality of Anchorage
632 West Sixth Avenue, Suite 250
Anchorage, Alaska 99501

By facsimile: 907-343-4313

Dear Ms. Heim:

Per our conversation, please accept this facsimile as my motion for reconsideration of my vote to postpone AO 2008-62. It is my understanding that Harriet Drummond will second this motion.

Thank you for your assistance, and please contact me if you have any questions.

Regards,


Patrick Flynn

*I second this motion
for reconsideration.
Harriet Drummond*

CLERK'S OFFICE
2008 MAY -7 PM 2:10
M.O.A.

Motion:

postpone AO 2008-62 to August 19th.

Voting Members	Yes	No	Abstain	Recuse	Absent
Bill Starr	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mike Gutierrez	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Elvi Gray-Jackson	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Chris Birch	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Matt Claman	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sheila Selkregg	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Harriet Drummond	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Debbie Ossiander	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Patrick Flynn	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Jennifer Johnston	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Dan Coffey	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Result:

Reference Time:

Content ID: 006202

Type: Ordinance-InvolvingFunds - AO

An ordinance amending Anchorage Municipal Code chapter 26.80

Title: to add a new section for a surcharge to support community recycling initiatives and amending section 26.70.040 to add the surcharge fees.

Author: maglaquijp

Initiating Dept: SWS

Description: Add surcharge to support recycling initiatives

Date Prepared: 4/3/08 6:17 PM

Director Name: Mark G. Madden

Assembly Meeting Date: 4/15/08

Public Hearing Date: 4/29/08

2008 APR 11 PM 1:15
 CLEANING OFFICE
 H.O.A.

Workflow Name	Action Date	Action	User	Security Group	Content ID
Clerk_Admin_SubWorkflow	4/11/08 12:24 PM	Exit	Heather Handyside	Public	006202
MuniMgrCoord_SubWorkflow	4/11/08 12:24 PM	Approve	Heather Handyside	Public	006202
MuniManager_SubWorkflow	4/11/08 12:24 PM	Approve	Heather Handyside	Public	006202
MuniManager_SubWorkflow	4/11/08 12:11 PM	Checkin	Joy Maglaqui	Public	006202
Legal_SubWorkflow	4/11/08 11:50 AM	Approve	Rhonda Westover	Public	006202
CFO_SubWorkflow	4/11/08 9:33 AM	Approve	Sharon Weddleton	Public	006202
OMB_SubWorkflow	4/9/08 4:11 PM	Approve	Wanda Phillips	Public	006202
SWS_SubWorkflow	4/4/08 4:43 PM	Approve	Mark Madden	Public	006202
AllFundOrdinanceWorkflow	4/4/08 4:37 PM	Checkin	Patty Kilson	Public	006202
SWS_SubWorkflow	4/4/08 3:41 PM	Reject	Mark Madden	Public	006202
AllFundOrdinanceWorkflow	4/4/08 3:01 PM	Checkin	Patty Kilson	Public	006202
SWS_SubWorkflow	4/4/08 3:00 PM	Reject	Mark Madden	Public	006202
AllFundOrdinanceWorkflow	4/4/08 2:45 PM	Checkin	Patty Kilson	Public	006202
OMB_SubWorkflow	4/4/08 9:53 AM	Reject	Wanda Phillips	Public	006202
SWS_SubWorkflow	4/3/08 6:23 PM	Approve	Mark Madden	Public	006202
AllFundOrdinanceWorkflow	4/3/08 6:20 PM	Checkin	Patty Kilson	Public	006202

