

Garbage collection is not a particularly exciting topic, but it is an important, basic city service. And it is of particular interest for two reasons during this budget cycle. First, our current residential refuse and recycling contract expires at the end of this year. And second, recent changes in state law might impact how we address garbage collection.

Contract

Since 2003, we have contracted with our current refuse and recycling hauler for all residential properties in the city. Advanced Disposal recently acquired the company, and it has gone through a couple other ownership changes in the eleven years we have been with them. They were formerly Veolia Environmental Services, Onyx Waste Services, and Superior Services.

The contract is for weekly refuse and recycling collection. It is a bag system, covering the cost to pick up one bag or container of refuse at each residence each week. Additional bags are picked up for additional cost. Recycling is also collected weekly.

The refuse and recycling service is mandatory for all single and two-family residences. A few apartments and small businesses opt to participate in the collection. Our current contract is a three-year contract, expiring at the end of the year. The cost can differ from one year to the next because of an annual inflation adjustment. There is also a possible surcharge if fuel prices spike.

The trend in the waste hauling industry has been to change from a bag system to a cart system. The carts increase efficiency by automating the collection and allowing the recycling to be collected on an every other week cycle. In the long-run, the automation also reduces job injuries and workers compensation claims. In the eye of the beholder, the uniform containers can also improve the aesthetics of curbside collection. An additional benefit is a reduction in loose materials blowing about the neighborhood.

Advanced Disposal has said they would like to convert Evansville to a cart system in a new contract. Although the carts are more efficient, they do require an upfront cost which likely means a cost increase over several years to pay for the upfront cost. However it will be the city's option to stay with its existing bag system. Since the carts are a general trend in the industry, I suspect switching to another haulers would still mean a cart system.

In the time between my writing this column and your reading it in the paper, the Public Works Committee will have discussed whether it is interested in conducting a request for proposals (RFP), putting our refuse and recycling service out for bid rather than simply renewing our existing contract.

Special Charge

Evansville currently assesses all residences \$139 per year for weekly refuse and recycling collection and monthly leaf and brush collection. This occurs as a special charge on the tax bill and raises about \$250,000.

With the tag sales and a state grant for recycling, it covers the contract for residential refuse and recycling collection at about \$220,000. The balance covers the brush and yard waste collection at about \$60,000. At times in the past, typically when there has been extensive storm damage, the brush collection has gone over budget and required general levy support to cover costs.

Levy Limits

For several years we have operated under very strict, state-imposed levy limits. With a few exceptions, the city is prohibited from increasing the property tax levy above that provided by new construction. With reasonable growth over the last decade, conservative spending practices, and increased efficiencies in city operations, we have been able to stay within these levy limits. And, unlike some cities, we have not taken a tax-to-the-max approach.

The recently enacted state budget included a new provision regarding levy limits for garbage collection (and several other services). The new law requires a reduction in the allowable levy equal to the estimated amount of fee revenue collected for providing garbage collection, fire protection, snow plowing, street sweeping, or storm water management if those services were funded in 2013 by the property tax levy. The intent of the new limits is to prevent cities from imposing new fees as a means to get around the limit on taxes.

City Budget

Through the League of Wisconsin Municipalities, we have heard some clarification from the Department of Revenue about how the new levy limits will work. But there are still questions, particularly where a service is partially funded by fees and by taxes. And the answers to these questions may impact services in the future.

The law does not define “garbage collection,” particularly whether it includes recycling and/or yard waste. In annual financial reports, Evansville shows the residential refuse and recycling program as entirely non property tax. Depending on over-budget storm years, our brush and yard waste may be entirely non property tax or a combination of fees and taxes.

In the end, I don’t believe the application of levy limits to garbage collection will impact our solid waste services, but still there is a question because it is undefined. It is possible the state will combine all aspects of solid waste collection, limiting the city’s ability to fund post-storm brush collection.

Levy limits aside, we recognize that there is only so much capacity in the community whether it is for taxes or for fees. And whether it is for city or school or county taxes. We try to be very frugal in levying taxes, setting fees, and adopting the budget.

Switching to a cart system has the potential for cost savings over the long run. Reducing curbside brush collection has been discussed in past budgets, and it is something that may come up again. And if there are other options, we’ll certainly consider them as well.