

**AGENDA**  
**MAPLEWOOD CITY COUNCIL**  
**MANAGER WORKSHOP**  
5:15 P.M. Monday, August 29, 2011  
Council Chambers, City Hall

**A. CALL TO ORDER**

**B. ROLL CALL**

**C. APPROVAL OF AGENDA**

**D. UNFINISHED BUSINESS**

1. Trash Collection System Analysis – Review of Existing Open Trash Collection System
2. 2012 Budget - Final Levy Discussion

**E. NEW BUSINESS**

**F. ADJOURNMENT**

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## MEMORANDUM

TO: James Antonen, City Manager  
FROM: Shann Finwall, AICP, Environmental Planner on Behalf of the Trash Hauling Working Group  
SUBJECT: **Trash Collection System Analysis – Review of Existing Open Trash Collection System**  
DATE: August 24, 2011 for the August 29 City Council Workshop

### BACKGROUND

On March 28, 2011, the City Council adopted a Resolution of Intent to Organize Trash Collection. The adoption of this resolution is required by Minnesota Statutes, Section 115A.94, Subdivision 4 to begin the planning process for organized trash collection.

On April 25, 2011, the City Council approved a scope of work for the Trash Collection System Analysis. The scope included the formation of a Trash Hauling Working Group to analyze trash collection systems and update the City Council.

### DISCUSSION

The Trash Hauling Working Group has been analyzing two areas of collection systems including a contractual (organized) system and improvements to the city's subscription (open) system. Both systems will be reviewed by the City Council later this year prior to a decision on which system would meet the City's trash collection goals.

#### Contractual System

The analysis of a contractual system included the creation of a request for proposal (RFP) for residential trash collection. The City Council authorized the release of the RFP on July 11, 2011. Proposals were due on August 19, 2011. The City has received six responses to the RFP from the following trash haulers:

1. Allied Waste Services
2. Dick's Sanitation, Inc.
3. Highland Sanitation and Recycling
4. Tennis Sanitation, LLC
5. Walters Recycling and Refuse, Inc.
6. Waste Management

The Trash Hauling Working Group is analyzing and evaluating the proposals. The Working Group will present a summary of the proposals and their recommendations to the City Council on September 26, 2011.

#### Subscription System

The analysis of the subscription system includes reviewing the city's solid waste management ordinance and trash hauling licensing requirements.

## *Solid Waste Management Ordinance and Licensing Requirements*

In 1995 and 1996 the City of Maplewood considered organized trash collection. Instead of organizing trash collection, the City agreed to a counterproposal from the trash haulers to institute restrictions within an open hauling system. On June 6, 1997, the City Council amended the solid waste management ordinance and licensing requirements (Attachment 1). New restrictions were added to the ordinance intended to help the City meet the trash collection goals at the time. Following are the highlights the changes made:

### Ordinance Highlights

- Residents must have trash collected from their property at least once a week from a licensed trash hauler.
- Trash must be stored in a rodent-proof container.
- Recyclables must be placed on the curb for collection.
- Trash collection is limited to the hours of 6 a.m. to 6 p.m., Monday through Saturday.

### Licensing Highlights

- All trash haulers are required to be licensed by the City.
- The yearly license fee is set by the City Council. The fee is currently \$129 per year.
- The license runs from September to August of each year.
- The license application must include the following:
  - Name and address
  - A statement that the trash hauler will follow a long-range plan of disposal in conformity with state pollution control agency regulations.
  - Provide maps of service routes configured so that customers on load-sensitive streets are among the first served on such routes.
- Haulers must comply with the following:
  - Carry general and auto liability insurance.
  - Pick up trash on day-certain trash pick-up routes (Attachment 2).
  - Use tandem axels or flotation tires to reduce the per-axle weight of all trucks used for collection.
  - Provide collection carts or bins.
  - Volume-based rates (30 gallon being the minimum).
  - Provide collection of yard waste to customers upon their request.
  - Provide special collection services within 24 hours of customer's request.
  - Provide special service collection for physical concerns.
  - File all residential customer rates effective for the following year with the City.
  - Amended rates must be filed within two weeks of any change.
- Penalty for noncompliance of ordinance and licensing requirements are as follows:
  - Failure to comply with the ordinance and licensing requirements is grounds for revocation of the license by the City Council.

### *Licensing Process*

The City's business licensing specialist processes license applications yearly. The licensing specialist mails the license applications in August. Trash haulers then submit their license applications, insurance information, and fee to the City for issuance of a license on September 1 of each year (Attachment 3).

In November, the licensing specialist mails a rate request letter to each hauler (Attachment 4). The letter states that haulers are required to provide their volume-based rates to the City Clerk on an annual basis for publication to the City's residents (Attachment 5). The letter further clarifies that the haulers should not include new customer rates or promotional rates.

It takes approximately two to four hours per year, per license to process each license based on the current system. The license fee of \$129 would cover City costs only if it took two hours or less to process each license (using staff salary x three as a gauge).

### *Enforcement*

There are several trash hauler licensing requirements that the City does not actively review and enforce. As an example, the City does not verify that the rates submitted by the trash haulers is the actual rate charged to the residents. Over the last few months Councilmember Nephew has conducted his own independent study on trash hauling rates (Attachment 6). For base rates, Councilmember Nephew found that on average Maplewood households are paying 11.03% higher than the haulers' reported rates to the City. If extra surcharges and fees applied to the base rate by some haulers are included, Councilmember Nephew found that Maplewood residents pay 25.59% more on average than the haulers' reported rates. Councilmember Nephew will present his findings during the August 29 workshop.

There are other requirements that are not currently being reviewed by the City including truck axels, service route maps, offering of yard waste, offering of special collections, etc. The Trash Hauling Working Group estimated that it would take an additional staff person one to four hours per license to review all requirements of the ordinance prior to issuance of a license. It would take an additional 24 to 96 hours per year for the City to enforce all requirements of the ordinance including following up on rates, ensuring all trucks comply with requirements, and processing hauler license revocations for noncompliance of the ordinance or licensing requirements.

If the City did review and enforce the ordinance as described above, costs to the City over the current \$129 license fee is estimated to be an additional \$15 to \$303 per license for review, and an additional \$2,322 to \$11,232 overall to enforce. The cost estimate is based on staff salary x three as a gauge.

### *Surrounding Open Hauling Cities*

The Trash Hauling Working Group reviewed the licensing requirements of Maplewood's adjacent open hauling cities including St. Paul, Oakdale, Woodbury, Newport, and Roseville. A summary of all requirements follows:

- Require trash haulers to have a license - All
- Require residents to have their trash picked up by a licensed hauler - Oakdale, Woodbury, Newport, Roseville
- Require day-certain trash pick-up routes – Oakdale, Woodbury, Newport, Roseville
- Require trash haulers to report rates to the city - All
- Require trash haulers to report rate changes throughout the year – St. Paul, Oakdale, Roseville
- Trash hauling times vary for all cities (6 a.m. to 6 p.m., 7 a.m. to 7 p.m., 6 a.m. to 10 p.m., 7 a.m. to 10 p.m.)
- Violation of trash hauling ordinance and licensing requirements – all have some form of license revocation process

### *Possible Improvements to Existing Trash Collection System*

Following is a list of improvements that could be made to the City's open hauling system to meet the City's trash collection goals and objectives:

- Increased review and enforcement of existing ordinance and licensing requirements to include:
  - monitoring rates
  - enforcement of truck equipment and weight requirements
  - enforcement of trash hauling pick-up times
  - enforcement of noise and litter caused by haulers
  - monitor yard waste and bulky item requirements
  - monitor route maps
  - other
- Increase licensing fee to cover increased review and enforcement as described above.
- Incremental fines and enforcement for violations of ordinance and licensing requirements.
- Limit the number of trash hauling licenses issued in the City.
- Implement a pay as you throw trash collection system.
- Financial incentives to residents for reducing waste, similar to recycle banks.
- Education

### **Summary**

Improvements to the City's open trash collection system hoped for with the changes made to the ordinance in 1997 were not fully realized. This is due in part because the trash haulers did not comply or did not know the requirements prior to licensing. It is also a failure on the City's part not to have educated the trash haulers and residents on the requirements, and not to have enforced the requirements. Therefore, in order to meet the current trash collection system goals with changes to our existing ordinance and licensing requirements, the City would need to follow through with an educational campaign on the changes and closely monitor and enforce the new requirements.

### **RECOMMENDATION**

Review the Trash Hauling Working Group's report on the City's open (subscription) trash collection system and offer comments and feedback.

#### Attachments

1. Maplewood Solid Waste Management Ordinance and Licensing Requirements
2. City Day-Certain Trash and Recycling Pick-Up Routes
3. Sample City Trash Hauling License Renewal Notice
4. Sample City Volume Based Rate Request
5. Maplewood's Published Trash Hauler Rates
6. Resident Trash Bills in Current Open Hauling System (Report by Councilmember Nephew)

## Chapter 30

### SOLID WASTE MANAGEMENT\*

#### Article I. In General

- Sec. 30-1. Definitions.
- Sec. 30-2. Disposal required.
- Sec. 30-3. Disposal methods.
- Sec. 30-4. Containers and storage of waste materials.
- Sec. 30-5. Collection and disposal generally.
- Sec. 30-6. Hours of collection.
- Sec. 30-7. Unlawful disposal; location of containers for collection; disposal of inflammable or explosive materials.
- Sec. 30-8. Unauthorized collections.
- Sec. 30-9. Collection requirements generally.
- Sec. 30-10. Manner of transporting materials.
- Sec. 30-11. Obstruction of, delay of or interference with contractor.
- Sec. 30-12. Penalty for violation of article.
- Secs. 30-13—30-40. Reserved.

#### Article II. Collection Licenses

- Sec. 30-41. Required.
- Sec. 30-42. Application; fee; duration.
- Sec. 30-43. Insurance.
- Sec. 30-44. Garbage trucks.
- Sec. 30-45. Pickup schedules.
- Sec. 30-46. Duty of licensees to report accumulations of garbage or refuse.
- Sec. 30-47. Suspension or revocation.
- Sec. 30-48. Volume-based rates.
- Secs. 30-49—30-75. Reserved.

#### Article III. Disposal Sites

- Sec. 30-76. Unlawful deposit of garbage and other substances.
- Sec. 30-77. Applicability of article.
- Secs. 30-78—30-105. Reserved.

#### Article IV. Recycling and Waste Management

- Sec. 30-106. Purpose.
- Sec. 30-107. Program established.
- Sec. 30-108. Rates and charges.

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\*State law reference—Authority for city council to provide for or regulate the disposal of garbage and other refuse, Minn. Stats. § 412.221, subd. 22.

SOLID WASTE MANAGEMENT

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ARTICLE I. IN GENERAL

**Sec. 30-1. Definitions.**

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*Compost* means lawn and garden waste, such as leaves and grass clippings, which are allowed to decompose naturally.

*Garbage* means food waste and household waste materials.

*Refuse* means but is not limited to vehicle parts, tires, scrap metal, ashes, grass, weeds and garden waste not being composted, scrap wood, brush, tree trunks, broken or unused household appliances and furniture, recreational equipment parts, sod, concrete chunks, blacktop chunks, unused building materials, pails, barrels and similar materials.

(Code 1982, § 16-1)

**Sec. 30-2. Disposal required.**

Every person shall legally dispose of garbage that accumulates upon his property in the city at least once a week or more often as directed by the city manager. Every firm, corporation, occupant or owner of any dwelling, boardinghouse, apartment building, manufactured home, or any other structure in the city, including churches and halls, shall have garbage and refuse collected by haulers licensed by the city and shall comply with this chapter and with the dates of collection and requirements therefor as established by the city manager.

(Code 1982, § 16-2)

**Sec. 30-3. Disposal methods.**

(a) Occupants of single- and two-family homes shall store all garbage in rodentproof covered containers between weekly collections. On the designated day of collection in their area, they may place the garbage on the curb in either sealed polyethylene bags of or equivalent to at least 1½ mils thickness or in 30- to 90-gallon bins. Instead of this requirement, special arrangements may be made with the hauler for walk-in service.

(b) Tree limbs and Christmas trees, cut so as not to exceed four inches in diameter and three feet in length, tied in bundles of no more than 18 inches in diameter, may also be placed in the same manner as prescribed in subsection (a) of this section.

(c) The owner, operator or manager of any building containing more than two dwelling units or of any firm or corporation where garbage accumulates in excess of four 30- to 32-gallon containers per week shall have bin service weekly from a commercial-type hauler licensed to do business in the city. The bins shall be of a minimum capacity of one cubic yard, covered, and of an approved sanitary type with the proper attachments for lifting onto refuse trucks.

(d) Recyclable materials from residential dwellings shall be placed on the curb for collection in bins, boxes or paper bags.

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(e) Yard wastes, including leaves, grass clippings, other soft-bodied plant material, to be collected by a licensed refuse collector shall be placed on the curb for collection in bins or bags as prescribed in subsection (a) of this section. Instead of this requirement, special arrangements may be made with the hauler for walk-in service.

(f) Refuse and waste materials not disposed of through a licensed refuse collector shall be taken to disposal site, such as a landfill or transfer station, approved by the state or the appropriate agency in the state to which the waste is delivered.

(g) Home lawn and garden waste may be composted in small quantities on a residential lot as long as the compost pile does not create a nuisance for neighbors from odor or unsightliness. Compost piles must be placed at least five feet from rear- and side-yard property lines and shall not be placed in a front yard.

(Code 1982, § 16-3)

**Sec. 30-4. Containers and storage of waste materials.**

Except on days of collection when garbage may be put on the curb for collection in residential areas, every person as a householder, occupant or owner of any dwelling, boardinghouse, apartment building or any other structure utilized for dwelling purposes and any restaurant, firm, corporation or establishment that accumulates garbage in the city shall provide and use one or more flytight and watertight metal or equivalent rodentproof garbage containers.

(Code 1982, § 16-4)

**State law reference**—Unlawful deposit of garbage, litter, etc., Minn. Stats. § 609.68.

**Sec. 30-5. Collection and disposal generally.**

(a) All garbage and refuse accumulations in the city shall be collected and conveyed under the supervision of the city manager. The city manager shall have the authority to make rules and regulations concerning days of collection, type and location of waste containers and other matters as he deems necessary, if the rules are not contrary to this chapter.

(b) In all single- and two-family dwellings in the city, it shall be the responsibility of the owner or occupant to contract with the licensed hauler of his choice to remove garbage and refuse.

(c) Fees for hauling garbage, refuse, etc., under this chapter shall be paid directly to the licensed hauler by the owner, agent, occupant or tenant of the premises at which the garbage and rubbish is collected, and such fee shall be full compensation for the services. The collector may refuse to make collections from any premises when the fees are not paid.

(Code 1982, § 16-5)

**Sec. 30-6. Hours of collection.**

The collection of garbage or rubbish shall be made only between the hours of 6:00 a.m. and 6:00 p.m., Monday through Saturday.

(Code 1982, § 16-6)

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**Sec. 30-7. Unlawful disposal; location of containers for collection; disposal of inflammable or explosive materials.**

(a) No person in the city shall place any garbage, rubbish or refuse in a street, alley or other public place or upon any private property, whether owned by such person or not, except as provided by this chapter.

(b) No person shall throw or place any garbage or refuse in any stream or other body of water in the city.

(c) No person shall place any waste material in any street, alley or other public place in the city.

(d) No person in the city shall store, sweep or deposit any garbage or refuse in such a manner that it may be carried by elements off his property.

(e) No person shall bury or burn any garbage or refuse in the city.

(f) Except as otherwise provided in this article, all metal containers or equivalent, for the collection of refuse, shall, always, be located behind the rear line of the dwelling, in the garage or screened from view from the street, and at least ten feet from any abutting dwelling.

(g) Highly flammable or explosive materials shall not be placed in containers for regular collection, but shall be disposed of by notifying the fire marshal, who will issue directions for the disposal of such items at the expense of the owner or possessor thereof.

(Code 1982, § 16-7)

**Sec. 30-8. Unauthorized collections.**

Any person who permits garbage or refuse to be picked up from his premises in the city by an unauthorized or unlicensed collector under this chapter shall be guilty of a violation of this chapter.

(Code 1982, § 16-8)

**Sec. 30-9. Collection requirements generally.**

It shall be the duty of every contractor, scavenger and person, including his agents and employees, who has contracted or undertaken to remove any garbage, refuse, waste material, or other filthy, offensive or noxious substance or who is engaged in the removal, loading or unloading of any such substance in the city to do such with dispatch, in a clean manner and with as little danger and prejudice to life and health as possible.

(Code 1982, § 16-9)

**Sec. 30-10. Manner of transporting materials.**

All persons engaged in the business of recycling or hauling garbage or refuse in the city shall transport the materials in enclosed vehicles, containers or bins, to prevent any loss of these materials and to prevent litter.

(Code 1982, § 16-10)

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**Sec. 30-11. Obstruction of, delay of or interference with contractor.**

No person shall obstruct, delay or interfere with any contractor or person engaged in the city in removing any offal, garbage, refuse, dirt, dead animals, sewage or other like substances or with the proper performance of their contract.

(Code 1982, § 16-11)

**Sec. 30-12. Penalty for violation of article.**

Any person violating any of the sections of this article shall be guilty of a misdemeanor, and upon conviction, shall be punished in accordance with section 1-15. The city also may handle violations of this article through the administrative offenses procedures in section 1-17.

(Code 1982, § 16-12)

**Secs. 30-13—30-40. Reserved.**

**ARTICLE II. COLLECTION LICENSES**

**Sec. 30-41. Required.**

It shall be unlawful for any person to collect garbage or refuse in the city without having first secured from the city council a license to do so.

(Code 1982, § 16-26)

**Sec. 30-42. Application; fee; duration.**

(a) Any person desiring a license to collect garbage and refuse in the city shall apply for the license to the clerk. The application shall set forth and require:

- (1) The name and address of the applicant.
- (2) An attestation that the applicant will follow a long-range plan of disposal in conformity with state pollution control agency regulations.
- (3) The applicant to:
  - a. Use tandem axles or flotation tires to reduce the per-axle weight of all trucks used for collection of solid waste.
  - b. Provide maps of service routes configured so that customers on load-sensitive streets will be among the first served on such routes.
  - c. Provide collection carts or bins to customers upon their request.
  - d. Provide collection of yard waste to customers upon their request.
  - e. Provide special or extraordinary collection services within 24 hours of a customer's request.
  - f. Provide special service collection arrangements for customers to accommodate their physical health concerns.

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- g. Indicate whether it will collect from commercial accounts, residential accounts, or both commercial and residential accounts.
- h. Provide information that may be required of the city by county, metropolitan, state, or federal governments.

(b) The application described in subsection (a) of this section shall be submitted to the city manager. Upon finding that the applicant is responsible, has proper equipment for such collection and that no nuisance is liable to be created by the granting of the license, the city manager shall endorse and approve the application.

(c) Before any license may be issued, the applicant shall pay to the clerk a license fee imposed, set, established and fixed by the city council, by resolution, from time to time, which fee shall accompany the application.

(d) No license issued under this article shall be for a longer period than one year, and all licenses shall expire on December 31 of each year.  
(Code 1982, § 16-27)

**Sec. 30-43. Insurance.**

The applicant for the license required under this article shall provide a certificate of public liability insurance in the amounts specified in this section for collecting garbage and refuse. Such insurance policy shall be subject to the approval of the city manager. The applicant must also provide a comprehensive general policy of liability insurance with minimum coverages as stated. At a minimum, the insurance shall conform to the following county requirements:

- (1) General liability in the following amounts:
  - a. Bodily injury, per occurrence, or combined single limit, \$500,000.00.
  - b. Property damage, \$250,000.00.
- (2) Auto liability in the following amounts:
  - a. Property damage or combined single limit, \$500,000.00.
  - b. Bodily injury in the following amounts:
    - 1. Per person, \$250,000.00.
    - 2. Per occurrence, \$500,000.00.

(Code 1982, § 16-28)

**Sec. 30-44. Garbage trucks.**

Each garbage and refuse collector licensed under this article shall provide a covered tank or wagon, so constructed that the contents will not leak or spill from it, in which all garbage and refuse collected shall be conveyed to an approved disposal facility. The truck or conveyance

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used shall be kept clean and as free from offensive odors as possible and shall not be allowed to stand in any street, alley or public place longer than is reasonably necessary to collect garbage and refuse.

(Code 1982, § 16-29)

**Sec. 30-45. Pickup schedules.**

Each licensee under this article shall consent to and follow a schedule of pickups, setting the day and area of pickups, as established by the city manager, to limit area pickups to the same day per week each week.

(Code 1982, § 16-30)

**Sec. 30-46. Duty of licensees to report accumulations of garbage or refuse.**

Each hauler licensed under this article shall report any accumulations of garbage or refuse that violates this Code or other city ordinances to the city manager.

(Code 1982, § 16-31)

**Sec. 30-47. Suspension or revocation.**

(a) Failure by a licensee under this article to comply with this chapter shall be grounds for revocation of the license by the city council after a hearing for the purpose.

(b) If the city manager finds a violation of this chapter by a licensee under this article and he orders correction of the violation which the licensee fails to make, the city manager may suspend the licensee's right to operate under the terms of the license and order this appearance at the next regular meeting of the city council for a hearing on whether the suspension should continue in effect.

(Code 1982, § 16-32)

**Sec. 30-48. Volume-based rates.**

Each garbage hauler licensed under this article shall provide to its residential customers a system of volume-based rates. A volume-based rate includes a solid waste collection charge and a disposal charge based on the volume of the solid waste. There shall be a minimum of three categories for the volume of garbage and for the rate of collection, the least amount of volume for which shall be 30 gallons. That part of the price for service based on the disposal charge shall be proportionately different for the three volumes of waste collection service. Further, each hauler shall provide services for amounts less than 30 gallons at a price below what it charges for collection and disposal services for 30-gallon volumes. Each licensed refuse collector shall file all residential customer rates effective for the following year with the city clerk. The filing shall be on a form approved by the city and shall be amended by the licensee from time to time as the rates are changed. The amended filing shall be within two weeks of any change.

(Code 1982, § 16-33)

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**Secs. 30-49—30-75. Reserved.**

**ARTICLE III. DISPOSAL SITES**

**Sec. 30-76. Unlawful deposit of garbage and other substances.**

No manure, garbage, offal or any vegetable or animal matter or odorous substance, which may be detrimental to health, shall be dumped at any place within the city limits.

(Code 1982, § 16-46)

**Sec. 30-77. Applicability of article.**

No dump for garbage, refuse materials and other solid waste shall be operated within the city by any person or as a public dump operated by the city.

(Code 1982, § 16-47)

**Secs. 30-78—30-105. Reserved.**

**ARTICLE IV. RECYCLING AND WASTE MANAGEMENT**

**Sec. 30-106. Purpose.**

The city's goal is to improve waste management and to serve the following purposes:

- (1) Reduction in waste generated.
- (2) Separation and recovery of materials and energy from waste.
- (3) Reduction in indiscriminate dependence on disposal of waste.
- (4) Coordination of solid waste management among political subdivisions.

(Code 1982, § 16-56)

**Sec. 30-107. Program established.**

The city has established and developed a local recycling program throughout the city. The city's goal is to promote public education and solid waste reduction and recycling.

(Code 1982, § 16-57)

**Sec. 30-108. Rates and charges.**

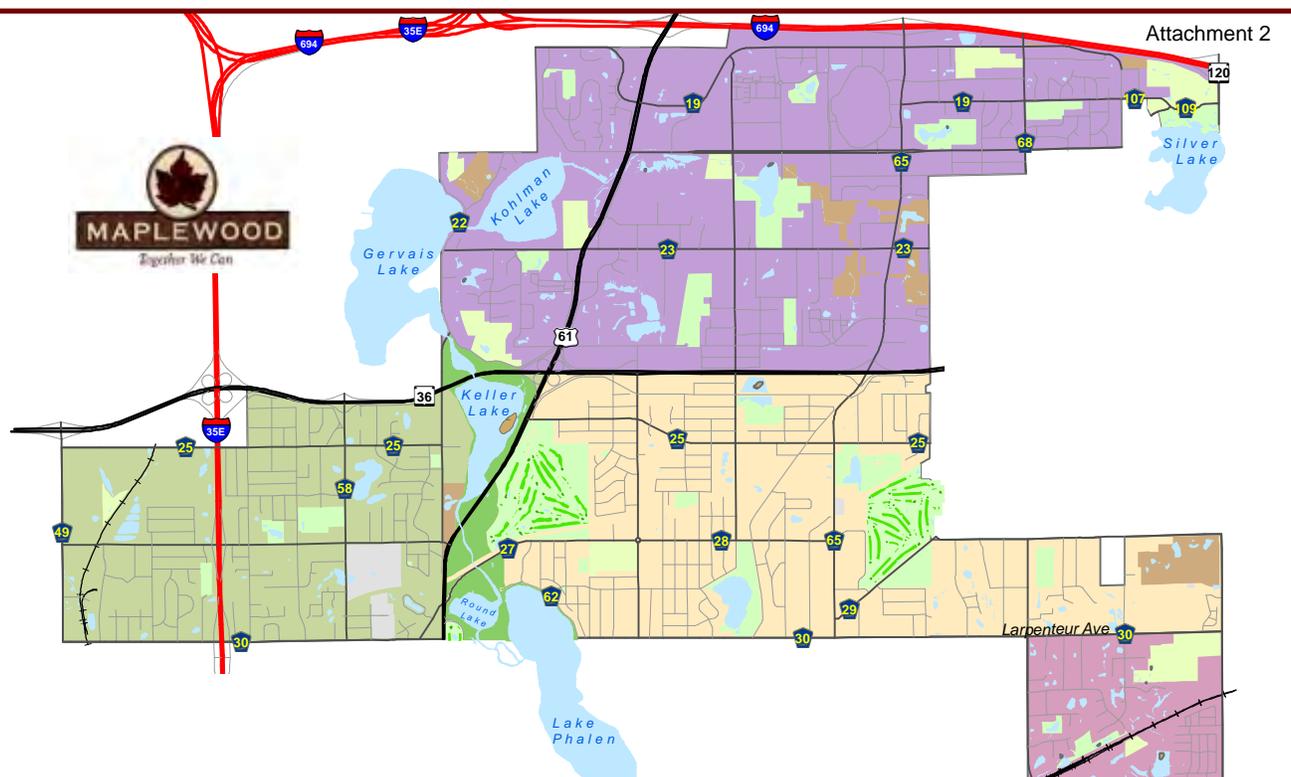
(a) The rates and charges for public education on solid waste reduction and recycling shall be set from time to time by the council, and a schedule of such fees is on file and available in the city offices.

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(b) There shall be added to all statements not paid by the date due a delinquency charge of ten percent of the amount due; provided, however, that the city manager may adjust the delinquency charge based upon a customer's circumstances such that the amount billed could not be paid by the date due.

(Code 1982, § 16-58; Ord. No. 781, § 1, 6-9-1997; Ord. No. 804A, § 1, 12, 13, 1999; Ord. No. 809, § 1, 12-11-2000; Ord. No. 819, § 1, 12-10-2001)



## Maplewood's Weekly Recycling and Trash Pick Up Schedule

February, 2011

Ensure recycle and trash are at curb by 7 a.m.

- Monday
- Tuesday
- Wednesday
- Thursday
- Friday

Questions regarding RECYCLING - contact Tennis Sanitation at 651.459.1887  
 Questions regarding TRASH - contact your Licensed Trash Hauler



Bill Priefer  
 Recycling Coordinator  
 651.249.2406

# RENEWAL NOTICE



**CITY OF MAPLEWOOD**  
Citizen Services Department  
1830 County Road B East  
Maplewood, MN 55109  
651-249-2005 Phone  
651-249-2009 Fax

**ACTIVITY#: 00005412**

| <u>License No.</u> | <u>License Description</u> | <u>License Expiration Date</u> |
|--------------------|----------------------------|--------------------------------|
| BL-000554          | REFUSE HAULER LICENSE      | 08/31/2011                     |

**Please complete the information below:**

Licensee Name: VEOLIA ENVIROMENTAL SERVICES  
 DBA Name: VEOLIA ENVIROMENTAL SERVICES  
 Address: 309 COMO AVE  
 SAINT PAUL, MN 55103

Contact Person: \_\_\_\_\_

Renewal Address: \_\_\_\_\_

Business Phone: (651) 487-8546

Daytime Phone: \_\_\_\_\_

MN Tax ID#: 5517924

Driver's License #: \_\_\_\_\_ State: \_\_\_\_\_

Federal ID#: 41-1341715

Email: \_\_\_\_\_

**Insurance Requirements - CERTIFICATE OF LIABILITY INSURANCE MUST BE SENT IN WITH THIS NOTICE**

A Certificate of Liability Insurance is required naming the City of Maplewood as the Certificate Holder with a ten-day cancellation clause. If the INSURED has a different name/location than the Maplewood business, the information for the Maplewood business must be included in the DESCRIPTION area. The certificate can be obtained from your insurance agent.

Amounts of coverage are as follows:  
 \$100,000 Property Damage  
 300,000 General Liability  
 50,000 Worker's Compensation

The information contained in this renewal notice shall be deemed public unless private by State statute. I Certify the Above Information is correct.

\_\_\_\_\_  
 Print Name Signature Date

ACTIVITY#: 00005412  
 License # : BL-000554  
 Payment Due Date : 8/31/11  
**Total Due : \$129.00**

Amount due if not paid in full by the Due Date: \$154.00

CITY OF MAPLEWOOD  
 CITIZEN SERVICES DEPARTMENT  
 1830 COUNTY ROAD B EAST  
 MAPLEWOOD, MN 55109



January 03, 2011

**RE:** Refuse Hauler Residential Volume-Based Rates

Maplewood Ordinance No. 771 directs licensed haulers are **required** to provide their volume-based rates to the City Clerk on an annual basis. These fees will be published in the *Lillie News and the Maplewood City News*. Please list your 2011 fees below. We have attached the current fee schedule we have on file for your information.

**~DO NOT INCLUDE NEW CUSTOMER RATES OR PROMOTIONS~**

| CONTAINER SIZES | Less Than 30Gallons | 30* Gallons | 60* Gallons | 90* Gallons |
|-----------------|---------------------|-------------|-------------|-------------|
| 2011 RATES      |                     |             |             |             |

\* List actual size of container within this category.

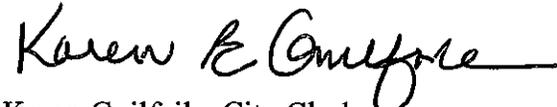
\*\* List rates without taxes and fees.

Please return this letter to us with fees listed by February 12, 2011.

If you do not provide this information you will be in violation of the City Code of Ordinances.

If you have any questions, please feel free to contact Shelly Nephew, our Business Licensing Clerk, at 651-249-2005 or [shelly.nephew@ci.maplewood.mn.us](mailto:shelly.nephew@ci.maplewood.mn.us) or me at 651-249-2002 or [Karen.Guilfoile@ci.maplewood.mn.us](mailto:Karen.Guilfoile@ci.maplewood.mn.us).

Sincerely,

  
Karen Guilfoile, City Clerk  
Citizen Services Manager

Enclosure

**City of Maplewood  
Rubbish Haulers  
January to December 2011  
Residential Volume Based Rates**

As stated in Maplewood Ordinance No. 771, Section 30.48, **Garbage, Refuse and Other Solid Wastes**, haulers are required to provide their rates to the City Clerk on an annual basis. In the event rates change during the calendar year, the City Clerk is to be notified by the Hauler within two weeks prior to any change.

| RUBBISH HAULER   | Container Sizes May Vary by Company |                 |                 |                      |
|--|-------------------------------------|-----------------|-----------------|----------------------|
|  | 30 Gallons                          | 60 Gallons      | 90 Gallons      | Less than 30 Gallons |
| Allied Waste Services (BFI)  | 14.75 (35 gal.)                     | 15.00 (68 gal.) | 16.00 (95 gal.) | Not Available        |
| Gene's Disposal Service  | 12.31 (38 gal.)                     | 13.85 (65 gal)  | 15.39 (95 gal)  | Call in              |
| Highland Sanitation  | 13.00                               | 15.00           | 17.00           | Call in              |
| Maroney's Sanitation, Inc.   | 15.63 (38 gal.)                     | 20.29           | 21.53           | Call in              |
| Tennis Sanitation, LLC<br>(updated 5-27-11)                                    | 12.55                               | 13.55           | 15.55           | 4.50                 |
| Veolia Environmental Services  | 12.25 (35 gal.)                     | 14.25 (64 gal.) | 16.25 (96 gal.) | Not Available        |
| Waste Management of Minnesota  | 15.00 (32 gal.)                     | 16.00 (64 gal.) | 17.00 (96 gal.) | Not Available        |
| Walters Recycling & Transfer Station   | 16.00                               | 17.00           | 18.00           | Call in              |
| <b><u>Price per month does not include additional surcharges or taxes.</u></b> |                                     |                 |                 |                      |

## AGENDA REPORT

**TO:** Shann Finwall, Environmental Planner  
**FROM:** John Nephew, Councilmember  
**SUBJECT:** Resident Trash Bills in Current Open Hauling System  
**DATE:** August 24, 2011

### INTRODUCTION

Maplewood's solid waste ordinance requires licensed haulers to report their rates to the city on an annual basis, and to notify the city in advance of rate increases. I have found that the actual rates paid by residents vary quite a bit, and are in some cases considerably higher than [hauler-reported rates](#). In addition, many haulers apply additional surcharges and fees. Current city policy and ordinances do not ask haulers to report these added charges, which may be introduced or changed at a hauler's discretion.

On April 25<sup>th</sup>, I made a [council presentation on the topic of trash bills and surcharges](#). In the same presentation, I asked residents to send me copies of their recent trash bills, so that I could get a better handle on what residents are actually paying. I also sent a request by e-mail to every resident who had contacted me on this subject, including hundreds of residents who had sent NSWMA-paid postcards to the city last year and included a legible e-mail address in their contact information.

This report is intended to share and analyze the information I have gathered, to provide the city council with a more accurate picture of the fees actually paid by Maplewood residents for trash hauling service.

*Note:* In the digital (PDF) version of this report, underlined text indicates a hyperlink to a web page for citation or further information.

### RAW DATA

A total of 55 individual bills/invoices or sets of bills have been provided to me so far. I have digitized all of these bills, blacked out personally identifying information, and placed them in a publicly accessible directory on my personal website. (If I receive more example bills, I will upload them here as well.) To view all of the individual bills, use this URL:

<http://www.johnnephew.com/garbage/bills/>

In most cases these are single-family homes with individual trash arrangements. In some cases a household provided me with multiple example bills spanning a period of months or years. I also have included a couple of examples of bills from homeowner associations. Though such associations may not be covered if we adopt organized collection, I think it may still be interesting to compare their arrangements to the single-family homes.

I obtained examples of bills from seven of the eight licensed haulers that serve residential customers in general in Maplewood. In addition, I obtained one example of a bill from an unlicensed hauler serving a Maplewood household.

The table on the following page presents a summary of all 55 sets of bills.

# Summary of All Bills

All figures are adjusted to a per-month basis regardless of billing period

| Inv #  | Hauler   | Date/Period | Container Class | Hauler Reported Base Rate | Actual Bill Base Rate | Fuel and/or Enviro. Surcharge | Admin Fee | Total Excluding Tax | Actual Base   | Total Versus  |
|--|----------|-------------|-----------------|---------------------------|-----------------------|-------------------------------|-----------|---------------------|---------------|---------------|
|  |          |             |                 |                           |                       |                               |           |                     | Reported Base | Reported Base |
| 1  | Hauler A | 02/11-04/11 | 90 gal          | \$16.25                   | \$28.00               | \$4.24                        | \$0.98    | \$33.23             | 72.31%        | 104.47%       |
| 2  | Hauler B | 04/11-05/11 | 90 gal          | \$17.00                   | \$28.10               | \$7.03                        | \$1.50    | \$36.63             | 65.29%        | 115.44%       |
| 3  | Hauler C | 04/11-05/11 | 60 gal          | \$15.00                   | \$25.00               | \$0.00                        | \$0.00    | \$25.00             | 66.67%        | 66.67%        |
| 4  | Hauler D | 03/11-04/11 | 90 gal          | \$15.05                   | \$15.55               | \$0.85                        | \$0.00    | \$16.40             | 3.32%         | 8.97%         |
| 5  | Hauler B | 03/11-05/11 | 90 gal          | \$17.00                   | \$14.00               | \$2.66                        | \$0.00    | \$16.66             | -17.65%       | -2.02%        |
| 6  | Hauler C | 05/11-07/11 | 60 gal          | \$15.00                   | \$12.50               | \$0.00                        | \$0.00    | \$12.50             | -16.67%       | -16.67% *     |
| 7  | Hauler E | 05/11-06/11 | 90 gal          | \$16.00                   | \$20.50               | \$4.93                        | \$0.00    | \$25.43             | 28.13%        | 58.91%        |
| 8  | Hauler B | 05/11-07/11 | 60 gal          | \$16.00                   | \$18.50               | \$4.81                        | \$1.00    | \$24.31             | 15.63%        | 51.96%        |
| 9  | Hauler D | 03/11-04/11 | 60 gal          | \$13.05                   | \$13.55               | \$0.85                        | \$0.00    | \$14.40             | 3.83%         | 10.34%        |
| 10   | Hauler D | 02/11-03/11 | 30 gal          | \$12.05                   | \$12.55               | \$0.85                        | \$0.00    | \$13.40             | 4.15%         | 11.20%        |
| 11   | Hauler D | 04/11-05/11 | 60 gal          | \$13.05                   | \$13.55               | \$0.85                        | \$0.00    | \$14.40             | 3.83%         | 10.34%        |
| 12   | Hauler D | 03/11-04/11 | 30 gal          | \$12.05                   | \$12.05               | \$0.85                        | \$0.00    | \$12.90             | 0.00%         | 7.05%         |
| 13   | Hauler C | 05/11-07/11 | 60 gal          | \$15.00                   | \$17.25               | \$0.00                        | \$0.00    | \$17.25             | 15.00%        | 15.00%        |
| 14   | Hauler B | 03/11-05/11 | 90 gal          | \$17.00                   | \$16.00               | \$4.17                        | \$0.00    | \$20.17             | -5.88%        | 18.65% *      |
| 15   | Hauler D | 03/11-04/11 | 90 gal          | \$15.05                   | \$15.55               | \$0.85                        | \$0.00    | \$16.40             | 3.32%         | 8.97%         |
| 16   | Hauler D | 04/01/11    | 30 gal          | \$12.05                   | \$12.05               | \$0.85                        | \$0.00    | \$12.90             | 0.00%         | 7.05%         |
| 17   | Hauler C | 05/11-07/11 | 90 gal          | \$17.00                   | \$18.50               | \$0.00                        | \$0.00    | \$18.50             | 8.82%         | 8.82%         |
| 18   | Hauler C | 04/11-05/11 | 60 gal          | \$15.00                   | \$10.50               | \$0.00                        | \$0.00    | \$10.50             | -30.00%       | -30.00%       |
| 19   | Hauler D | 10/10-11/10 | 60 gal          | \$13.05                   | \$13.05               | \$0.85                        | \$0.00    | \$13.90             | 0.00%         | 6.51%         |
| 20   | Hauler A | 05/11-07/11 | 90 gal          | \$16.25                   | \$30.00               | \$5.24                        | \$0.98    | \$36.22             | 84.62%        | 122.91%       |
| 21   | Hauler D | 12/10-01/11 | 60 gal          | \$13.05                   | \$13.05               | \$0.85                        | \$0.00    | \$13.90             | 0.00%         | 6.51%         |
| 22   | Hauler D | 03/11-04/11 | 90 gal          | \$15.05                   | \$14.55               | \$0.00                        | \$0.00    | \$14.55             | -3.32%        | -3.32% *      |
| 23   | Hauler D | 01/11-02/11 | 90 gal          | \$15.05                   | \$14.55               | \$0.85                        | \$0.00    | \$15.40             | -3.32%        | 2.33%         |
| 24   | Hauler E | 04/11-05/11 | 30 gal          | \$14.75                   | \$16.50               | \$7.53                        | \$0.00    | \$24.03             | 11.86%        | 62.92%        |
| 25   | Hauler C | 04/11-05/11 | 30 gal          | \$13.00                   | \$15.25               | \$0.00                        | \$0.00    | \$15.25             | 17.31%        | 17.31%        |
| 26   | Hauler E | March 2011  | 60 gal          | \$15.00                   | \$15.84               | \$3.80                        | \$0.15    | \$19.79             | 5.63%         | 31.96% *      |
| 27   | Hauler E | 05/11-06/11 | 60 gal          | \$15.00                   | \$17.00               | \$4.09                        | \$0.00    | \$21.09             | 13.33%        | 40.57%        |
| 28   | Hauler D | 04/11-05/11 | 60 gal          | \$13.05                   | \$13.55               | \$0.85                        | \$0.00    | \$14.40             | 3.83%         | 10.34%        |
| 29   | Hauler D | 03/11-04/11 | 60 gal          | \$13.05                   | \$12.55               | \$0.00                        | \$0.00    | \$12.55             | -3.83%        | -3.83%        |
| 30   | Hauler D | 03/11-04/11 | 60 gal          | \$13.05                   | \$13.05               | \$0.85                        | \$0.00    | \$13.90             | 0.00%         | 6.51%         |
| 31   | Hauler A | 02/11-04/11 | 90 gal          | \$16.25                   | \$14.00               | \$2.12                        | \$0.98    | \$17.10             | -13.85%       | 5.25%         |
| 32   | Hauler D | 03/11-04/11 | 60 gal          | \$13.05                   | \$13.55               | \$0.85                        | \$0.00    | \$14.40             | 3.83%         | 10.34%        |
| 33   | Hauler E | 05/11-06/11 | 90 gal          | \$16.00                   | \$17.75               | \$4.26                        | \$0.00    | \$22.01             | 10.94%        | 37.56%        |
| 34   | Hauler A | 05/11-07/11 | 30 gal          | \$12.25                   | \$14.00               | \$2.45                        | \$0.98    | \$17.43             | 14.29%        | 42.29%        |
| 35   | Hauler E | 05/11-06/11 | 60 gal          | \$15.00                   | \$28.38               | \$6.81                        | \$0.00    | \$35.19             | 89.17%        | 134.57%       |
| 36   | Hauler E | 04/11-05/11 | 90 gal          | \$16.00                   | \$15.75               | \$3.60                        | \$0.00    | \$19.35             | -1.56%        | 20.94%        |
| 37   | Hauler B | 05/11-06/11 | 90 gal          | \$17.00                   | \$18.48               | \$4.81                        | \$0.00    | \$23.29             | 8.71%         | 36.97%        |
| 38   | Hauler E | 04/11-05/11 | 60 gal          | \$15.00                   | \$19.50               | \$4.45                        | \$0.00    | \$23.95             | 30.00%        | 59.67%        |
| 39   | Hauler D | 04/11-05/11 | 30 gal          | \$12.05                   | \$12.55               | \$0.85                        | \$0.00    | \$13.40             | 4.15%         | 11.20%        |
| 40   | Hauler E | 05/11-06/11 | 90 gal          | \$16.00                   | \$17.00               | \$4.09                        | \$0.00    | \$21.09             | 6.25%         | 31.78%        |
| 41   | Hauler F | 01/11-03/11 | 30 gal          | \$12.31                   | \$17.37               | \$0.00                        | \$0.00    | \$17.37             | 41.08%        | 41.08%        |
| 42   | Hauler D | 05/11-06/11 | 60 gal          | \$13.05                   | \$13.55               | \$0.85                        | \$0.00    | \$14.40             | 3.83%         | 10.34%        |
| 43   | Hauler D | 04/11-05/11 | 60 gal          | \$13.05                   | \$11.52               | \$0.72                        | \$0.00    | \$12.24             | -11.76%       | -6.25%        |
| 44   | Hauler B | 06/01/11    | 60 gal          | \$16.00                   | \$13.81               | \$3.58                        | \$0.00    | \$17.39             | -13.69%       | 8.67%         |
| 45   | Hauler D | 05/11-06/11 | 90 gal          | \$15.05                   | \$15.50               | \$0.85                        | \$0.00    | \$16.35             | 2.99%         | 8.64%         |
| 46   | Hauler E | 10/15/10    | 30 gal          | \$14.75                   | \$12.00               | \$2.26                        | \$0.00    | \$14.26             | -18.64%       | -3.32%        |
| 47   | Hauler A | 03/11-05/11 | 60 gal          | \$14.25                   | \$19.00               | \$2.99                        | \$0.98    | \$22.97             | 33.33%        | 61.22%        |
| 48   | Hauler G | 07/11-08/11 | 30 gal          | \$15.63                   | \$15.63               | \$0.63                        | \$0.00    | \$16.26             | 0.00%         | 4.00%         |
| 49   | Hauler F | 07/01/11    | 30 gal          | \$12.31                   | \$18.06               | \$0.00                        | \$0.00    | \$18.06             | 46.71%        | 46.71%        |
| 50   | Hauler G | 03/11-04/11 | 30 gal          | \$15.63                   | \$15.63               | \$0.63                        | \$0.00    | \$16.26             | 0.00%         | 4.00%         |
| 51   | Hauler D | 05/11-06/11 | 60 gal          | \$13.05                   | \$13.55               | \$0.85                        | \$0.00    | \$14.40             | 3.83%         | 10.34%        |
| 52   | OTHER    | 12/01/10    | 60 gal          | n/a                       | \$15.50               | \$0.00                        | \$0.00    | \$15.50             | n/a           | n/a *         |
| 53   | Hauler E | 05/11-06/11 | 90 gal          | \$16.00                   | \$17.00               | \$5.91                        | \$0.00    | \$22.91             | 6.25%         | 43.16%        |
| 54   | Hauler A | 7/11-9/11   | 90 gal          | \$16.25                   | \$14.20               | \$0.00                        | \$0.00    | \$14.20             | -12.62%       | -12.62%       |
| 55   | Hauler F | April 2011  | unknown         | unknown                   | \$10.71               | \$0.00                        | \$0.00    | \$10.71             | n/a           | n/a *         |
| AVERAGE – excluding unlicensed and townhomes |          |             |                 |                           |                       |                               |           |                     | 11.03%        | 25.59%        |

NOTES:

- 6 Self-organized neighborhood
- 14 Online bill, gets every third month free
- 22 New Customer w/2yr contract
- 26 Townhome Ass'n, 13 homes
- 52 Hauler is not licensed in Maplewood
- 55 Townhome Ass'n, per household

- Haulers are identified by letter (“Hauler A,” etc.). I assigned letters simply based on the order in which I obtained examples of their bills.
- When I received multiple examples from the same household, the bill I include in the table is the most recent.
- Actual container sizes vary among haulers; the “30 gallon” class of container, for example, may have an actual volume of 30 to 38 gallons.
- In addition to their base charge for service, some but not all haulers have a fuel surcharge line item. Some have a line that is both for fuel and “environmental” surcharges or fees. Some have an additional line for an administrative fee, which appears to be charged to some customers who receive paper bills. These surcharges and fees are not always applied to all customers.
- For this table, I omit any special or one-time charges (late fees, yard waste, bulky items, extra bags, etc.). Later in this report I summarize the limited examples I have of these charges.
- I have not included taxes on this table. Taxes should be applied to the total of hauler fees (their base charge, any fuel and/or environmental surcharges, and any administrative fee), and consist of the 28% Ramsey County Environmental Charge and the 9.75% Minnesota Solid Waste Management Tax. Exceptions appear to be errors. (Examples: on [Invoice 28](#), the customer's extra trash bags appear to have been mistakenly coded as subject to Washington County's CEC; [Invoice 46](#) includes the state tax but omits the county.)
- I calculate each customer's total monthly trash bill, excluding tax.
- “Actual Base Versus Reported Base” is a calculation of the percentage difference between what this customer is paying and what their hauler reported to the city at the start of 2011 as their official basic rate for service of this size container. (Note that one hauler, Hauler D, updated their rate report mid-year to reflect a 50-cent-per-month increase that took affect early in the year. I am, however, using their original reported rates, because when most of these bills were issued those were the rates still on file at the city.)
- The next column, “Total Versus Reported Base,” tells us the percentage difference between all the hauler's charges combined and that basic rate reported to the city.
- At the bottom of the table, I calculate the average percentage difference between what people pay and what the haulers report. The calculation excludes the two townhome associations, and the one unlicensed hauler (since there's no reported rate to compare to). It *does* include non-association neighborhood groups that have banded together to negotiate a lower rate for a number of households, since that is in theory a strategy available to any home in Maplewood. (A resident who chooses not to work with their neighbors to find a lower price is going to pay more just like a resident who chooses not to monitor their bills, compare rates, negotiate, and frequently change haulers to obtain the best current rate.)

For base rates, I found that on average, Maplewood households are paying 11.03% higher rates than what the haulers report to the city. The difference ranges from 30% less than the reported rate on one extreme, to 89% more on the other.

If you add in the extra surcharges and fees applied to basic trash service by some haulers, Maplewood residents pay 25.59% more on average than the rates their haulers reported to the city at the beginning of the year. Individual bills range from 30% less than the reported rate to, on the other end, a resident who is charged 135% more than the rate his hauler reports to the city.

## ORDINANCE COMPLIANCE: RATE REPORTING

As we consider the current open hauling system and potential improvements, one question we should ask is whether haulers comply with the current ordinance and, if not, what are the consequences.

Before investigating, my assumption was that the rates reported to the city were the basic rates available to anyone, and that individual consumers might negotiate a better rate (for example, to match a competitor's offer). I found this *not* to be the case; in a majority of bills, the resident is paying a higher base rate (not including fuel surcharges, etc.) than was reported as the official rate to the city.

I obtained example bills from seven of the eight residential haulers that serve Maplewood residents at large. (A ninth only serves a couple of specific homeowner associations). **Six of the seven haulers were not in compliance with the rate reporting ordinance**, in that either the base rate reported to the city did not correspond to the higher *base rate* actually charged to some customers; or they implemented a rate increase without the advance notice to the city required by ordinance; or both.

As staff has explained, there is no significant effort to enforce our ordinance with respect to rates. Under current ordinance, the only penalty available to the city council is to revoke a hauler's license.

## RATES BY CONTAINER SIZE

The following tables summarize prices paid for the three standard container sizes, with bills sorted from least to greatest total monthly cost. I have omitted the townhome associations.

### Rates by Container Size: 30-38 Gallon

| Inv # | Hauler         | Container Class | Actual Bill Base Rate | Fuel and/or Enviro. Surcharge | Admin Fee     | Total Excluding Tax |
|-------|----------------|-----------------|-----------------------|-------------------------------|---------------|---------------------|
| 12    | Hauler D       | 30 gal          | \$12.05               | \$0.85                        | \$0.00        | \$12.90             |
| 16    | Hauler D       | 30 gal          | \$12.05               | \$0.85                        | \$0.00        | \$12.90             |
| 10    | Hauler D       | 30 gal          | \$12.55               | \$0.85                        | \$0.00        | \$13.40             |
| 39    | Hauler D       | 30 gal          | \$12.55               | \$0.85                        | \$0.00        | \$13.40             |
| 46    | Hauler E       | 30 gal          | \$12.00               | \$2.26                        | \$0.00        | \$14.26             |
| 25    | Hauler C       | 30 gal          | \$15.25               | \$0.00                        | \$0.00        | \$15.25             |
| 48    | Hauler G       | 30 gal          | \$15.63               | \$0.63                        | \$0.00        | \$16.26             |
| 50    | Hauler G       | 30 gal          | \$15.63               | \$0.63                        | \$0.00        | \$16.26             |
| 41    | Hauler F       | 30 gal          | \$17.37               | \$0.00                        | \$0.00        | \$17.37             |
| 34    | Hauler A       | 30 gal          | \$14.00               | \$2.45                        | \$0.98        | \$17.43             |
| 49    | Hauler F       | 30 gal          | \$18.06               | \$0.00                        | \$0.00        | \$18.06             |
| 24    | Hauler E       | 30 gal          | \$16.50               | \$7.53                        | \$0.00        | \$24.03             |
|       | <b>AVERAGE</b> |                 | <b>\$14.47</b>        | <b>\$1.41</b>                 | <b>\$0.08</b> | <b>\$15.96</b>      |

## Rates by Container Size: 60-68 Gallon

| Inv #          | Hauler   | Container Class | Actual Bill Base Rate | Fuel and/or       |               | Total Excluding Tax |
|----------------|----------|-----------------|-----------------------|-------------------|---------------|---------------------|
|                |          |                 |                       | Enviro. Surcharge | Admin Fee     |                     |
| 18             | Hauler C | 60 gal          | \$10.50               | \$0.00            | \$0.00        | \$10.50             |
| 43             | Hauler D | 60 gal          | \$11.52               | \$0.72            | \$0.00        | \$12.24             |
| 6              | Hauler C | 60 gal          | \$12.50               | \$0.00            | \$0.00        | \$12.50             |
| 29             | Hauler D | 60 gal          | \$12.55               | \$0.00            | \$0.00        | \$12.55             |
| 19             | Hauler D | 60 gal          | \$13.05               | \$0.85            | \$0.00        | \$13.90             |
| 21             | Hauler D | 60 gal          | \$13.05               | \$0.85            | \$0.00        | \$13.90             |
| 30             | Hauler D | 60 gal          | \$13.05               | \$0.85            | \$0.00        | \$13.90             |
| 9              | Hauler D | 60 gal          | \$13.55               | \$0.85            | \$0.00        | \$14.40             |
| 11             | Hauler D | 60 gal          | \$13.55               | \$0.85            | \$0.00        | \$14.40             |
| 28             | Hauler D | 60 gal          | \$13.55               | \$0.85            | \$0.00        | \$14.40             |
| 32             | Hauler D | 60 gal          | \$13.55               | \$0.85            | \$0.00        | \$14.40             |
| 42             | Hauler D | 60 gal          | \$13.55               | \$0.85            | \$0.00        | \$14.40             |
| 51             | Hauler D | 60 gal          | \$13.55               | \$0.85            | \$0.00        | \$14.40             |
| 52             | OTHER    | 60 gal          | \$15.50               | \$0.00            | \$0.00        | \$15.50             |
| 13             | Hauler C | 60 gal          | \$17.25               | \$0.00            | \$0.00        | \$17.25             |
| 44             | Hauler B | 60 gal          | \$13.81               | \$3.58            | \$0.00        | \$17.39             |
| 27             | Hauler E | 60 gal          | \$17.00               | \$4.09            | \$0.00        | \$21.09             |
| 47             | Hauler A | 60 gal          | \$19.00               | \$2.99            | \$0.98        | \$22.97             |
| 38             | Hauler E | 60 gal          | \$19.50               | \$4.45            | \$0.00        | \$23.95             |
| 8              | Hauler B | 60 gal          | \$18.50               | \$4.81            | \$1.00        | \$24.31             |
| 3              | Hauler C | 60 gal          | \$25.00               | \$0.00            | \$0.00        | \$25.00             |
| 35             | Hauler E | 60 gal          | \$28.38               | \$6.81            | \$0.00        | \$35.19             |
| <b>AVERAGE</b> |          |                 | <b>\$15.52</b>        | <b>\$1.60</b>     | <b>\$0.09</b> | <b>\$17.21</b>      |

## Rates by Container Size: 90-98 Gallon

| Inv #          | Hauler   | Container Class | Actual Bill Base Rate | Fuel and/or       |               | Total Excluding Tax |
|----------------|----------|-----------------|-----------------------|-------------------|---------------|---------------------|
|                |          |                 |                       | Enviro. Surcharge | Admin Fee     |                     |
| 54             | Hauler A | 90 gal          | \$14.20               | \$0.00            | \$0.00        | \$14.20             |
| 22             | Hauler D | 90 gal          | \$14.55               | \$0.00            | \$0.00        | \$14.55             |
| 23             | Hauler D | 90 gal          | \$14.55               | \$0.85            | \$0.00        | \$15.40             |
| 45             | Hauler D | 90 gal          | \$15.50               | \$0.85            | \$0.00        | \$16.35             |
| 4              | Hauler D | 90 gal          | \$15.55               | \$0.85            | \$0.00        | \$16.40             |
| 15             | Hauler D | 90 gal          | \$15.55               | \$0.85            | \$0.00        | \$16.40             |
| 5              | Hauler B | 90 gal          | \$14.00               | \$2.66            | \$0.00        | \$16.66             |
| 31             | Hauler A | 90 gal          | \$14.00               | \$2.12            | \$0.98        | \$17.10             |
| 17             | Hauler C | 90 gal          | \$18.50               | \$0.00            | \$0.00        | \$18.50             |
| 36             | Hauler E | 90 gal          | \$15.75               | \$3.60            | \$0.00        | \$19.35             |
| 14             | Hauler B | 90 gal          | \$16.00               | \$4.17            | \$0.00        | \$20.17             |
| 40             | Hauler E | 90 gal          | \$17.00               | \$4.09            | \$0.00        | \$21.09             |
| 33             | Hauler E | 90 gal          | \$17.75               | \$4.26            | \$0.00        | \$22.01             |
| 53             | Hauler E | 90 gal          | \$17.00               | \$5.91            | \$0.00        | \$22.91             |
| 37             | Hauler B | 90 gal          | \$18.48               | \$4.81            | \$0.00        | \$23.29             |
| 7              | Hauler E | 90 gal          | \$20.50               | \$4.93            | \$0.00        | \$25.43             |
| 1              | Hauler A | 90 gal          | \$28.00               | \$4.24            | \$0.98        | \$33.23             |
| 20             | Hauler A | 90 gal          | \$30.00               | \$5.24            | \$0.98        | \$36.22             |
| 2              | Hauler B | 90 gal          | \$28.10               | \$7.03            | \$1.50        | \$36.63             |
| <b>AVERAGE</b> |          |                 | <b>\$18.16</b>        | <b>\$2.97</b>     | <b>\$0.23</b> | <b>\$21.36</b>      |

As can easily be seen in these tables, different customers of the same hauler can pay wildly different amounts for the same service under the present system.

### **ORDINANCE COMPLIANCE: VOLUME-BASED PRICING**

Our current ordinance mandates volume-based pricing: “That part of the price for service based on the disposal charge shall be proportionately different for the three volumes of waste collection service.” Looking at the rates, it's true that the average (mean) increases with the larger volume containers. However, when you look at the range of prices, they overlap.

Even more striking, the median rate actually paid for 60-gallon containers is lower than the median rate for 30-gallon containers! The sample is small enough that this may just be statistical noise. However, anecdotally, some residents have told me that when they asked their hauler about a smaller container, they were offered a lower price and the same container.

Take a look at several bills of Hauler E: On [Invoice 24](#), a resident with this hauler is paying \$24.03 per month for a 30-gallon container; on [Invoice 27](#), another resident is paying the same hauler \$21.09 per month for a 60-gallon container; and on [Invoice 36](#), a third resident with the very same hauler is paying even less, \$19.35 per month, for a 90-gallon container.

The rates reported to the city by the haulers comply with our ordinance on volume-based pricing. However, it appears that the rates actually charged to Maplewood residents do not.

### **HAULER RATE INCREASES IN THE OPEN SYSTEM**

A frequent comment I've heard from people opposed to organized collection is the claim that prices will increase if the government gets involved. Of course, prices can and do increase under the current system. The pricing formula set out in our RFP does allow for annual price changes over the term of a contract, but those changes are tied to specific objective data: the consumer price index, a diesel fuel index, and the actual cost of tipping fees. In contrast, prices at the present time are set entirely at the discretion of the hauler, who may or may not link them in some way to objective economic data or actual costs in providing the service, or may cloak them in deceptive terms (as I discussed in my April 25<sup>th</sup> presentation) so as to throw off the scent of bargain-hunting consumers.

To illustrate how it works in the current system, let me refer you to a set of bills from a single Maplewood household ([2008](#), [2009](#), [2010](#), [2011](#)). This household has used the same hauler and the same container size (35 gallons), so it gives us an apples-to-apples comparison across four years. It's also notable that their hauler, “Hauler D,” appears to have relatively little pricing variation across their customer base.

Here is a table of the per-month prices charged to this customer by “Hauler D” across four years, excluding taxes:

| <b>Year</b> | <b>Base Charge</b> | <b>Fuel Surcharge</b> | <b>Total</b> | <b>Total Increase</b> |
|-------------|--------------------|-----------------------|--------------|-----------------------|
| 2008        | \$9.55             | n/a                   | \$9.55       |                       |
| 2009        | \$10.55            | \$0.65                | \$11.20      | 17.28%                |
| 2010        | \$12.05            | \$0.85                | \$12.90      | 15.18%                |
| 2011        | \$12.55            | \$0.85                | \$13.40      | 3.88%                 |

*Report on Maplewood Trash Bills, page 6*

Perhaps it's coincidence, but I find it interesting that after Maplewood began seriously discussing organized collection in late 2010, the next year's price increase was single-digit rather than double-digit.

To put these hauler price increases in context, consider what inflation has been like over these years in general terms and also specific to diesel fuel. Here is a table comparing those increases to the CPI<sup>1</sup> and average diesel prices<sup>2</sup>.

| Year | Hauler Price Increase | Inflation (CPI) | Diesel Price/Gallon | Diesel Price Change |
|------|-----------------------|-----------------|---------------------|---------------------|
| 2008 | 0.00%                 | 4.10%           | \$2.89              |                     |
| 2009 | 17.28%                | 0.10%           | \$3.80              | 31.82%              |
| 2010 | 15.18%                | 2.70%           | \$2.47              | -35.13%             |
| 2011 | 3.88%                 | 1.50%           | \$2.99              | 21.28%              |

Diesel prices rocketed up almost 32% across 2008, leading this hauler to impose a fuel surcharge of 65 cents per month in 2009. The following year, when diesel prices *dropped more 35%* – and in fact averaged about *15% less than before the fuel surcharge was imposed* – “Hauler D” did not reduce or eliminate their fuel surcharge. On the contrary, they *increased the fuel surcharge by 20 cents a month, or nearly 31%! Last year diesel prices rebounded (ending up slightly higher than they were before the fuel surcharge was imposed), and the fuel surcharge was held flat.*

Looking at general inflation, the difference between the hauler price increases and the consumer is breathtaking: They've increased prices by 2.6 to 173 times the rate of inflation each year. If the total price had increased only in line with inflation, the customer would be paying around \$10.02 today, not \$13.40<sup>3</sup>.

In evaluating Maplewood's current open hauling system and comparing it to an organized system in economic terms, we should be aware of not only the current costs but also the prospect of shielding residents from arbitrary price increases that may, as in the past, far exceed the changes in general inflation or the cost of fuel.

### FEES FOR EXTRA SERVICES

Finally, several of the bills include additional charges for various added or one-time services. This is obviously a very limited sample, but may be helpful as points of reference:

- **Bulky Item:** As an example charge for an additional bulky item, [Invoice 50b](#) includes a \$10 charge for a carpet that the customer threw away.
- **Extra Bags:** The customer on [Invoice 28](#) was charged \$18.00 for nine extra bags of trash in the previous month.

1 Using [December-to-December](#) comparisons for the period just ended; i.e., the 2011 number is the inflation figure for December 2010 over December 2009.

2 Using the [U.S. Energy Information Administration's](#) annual average prices per gallon for “Diesel (On Highway) – All Types” for the previous year, so the prices listed were the averages in 2007, 2008, 2009, and 2010.

3 According to the [BLS Inflation Calculator](#), \$9.55 in 2008 dollars is equivalent to \$10.02 in 2011.

- **Finance Charge:** [Invoice 4](#) has a 1.5% finance charge applied on a late/missed payment.
- **Yard Waste:** Three example bills include yard waste, giving us some idea of the current range of prices for this service. [Invoice 27c](#) has a \$95 charge for the season; a handwritten note on [Invoice 53](#) indicates that the household paid \$112.34 for 7 months of yard waste pick-up on their previous bill; and [Invoice 54c](#) shows a yard waste charge of \$159.57 for the season.

## **RECOMMENDATION**

If we do not adopt an organized collection plan, I believe we should amend our ordinance to more effectively implement rate reporting and volume-based pricing.

I suggest that rates should be required to include any surcharges or added fees that are applied to basic service, such as fuel surcharges. These charges are ultimately just another hauler revenue source, and can represent a significant portion of a trash bill (especially since they are subject to the same taxes as the base rate). If the point of rate reporting is to enable our residents to easily compare their choices, we should require this information to be submitted.

The current rate reporting forms clearly request standard rates, not special or introductory rates. However, many residents are charged substantially more, and in at least one instance a resident told me that when he inquired about the rates on the city website, he was told that those were only for new customers. Similarly, the ordinance is clear about volume-based pricing, because of the public interest and need to reduce the volume of trash, yet there is a disconnect between price and volume out in the marketplace.

If we have an interest in effectively enforcing the ordinance, I think we need a range of incremental penalties short of the suspension and revocation of license that is now the only remedy at hand. If the council wishes to retain the open hauling system, I recommend that we direct staff and legal counsel to research and report back to us on what other penalties we might write into the ordinance so that there would be actual consequences to breaking the city's rules, and better compliance.

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**AGENDA REPORT**

**TO:** Jim Antonen, City Manager  
**FROM:** Charles Ahl, Assistant City Manager  
 Gayle Bauman, Finance Manager  
**SUBJECT:** 2012 Budget – Review of Final Levy Spreadsheet  
**DATE:** August 23, 2011

**INTRODUCTION**

The 2012 Budget process began in February 2011 with the goal setting of the Council – Staff Retreat. In May 2011, the City Council adopted the 2012 – 2016 Capital Improvement Plan, which began establishing capital expenditures for the 2012 Budget. The next step in the budget process will be for the Council to establish a maximum levy that will need to be adopted on September 12, 2011. The Council received a worksheet format for the process as we review the various requests. The department presentations began on August 1<sup>st</sup> and continued through August as follows:

**Review of 2012 Budget Requests**

Specific budgets were presented and reviewed by Departments Heads:

- o Aug 1: IT; Executive; Legislative; Community Development; Citizen Services
- o Aug 8: Police; Fire; Finance
- o Aug 22: Park/Recreation/MCC; Public Works

**2012 Budget Review Spreadsheet**

An updated Budget Review Spreadsheet [the infamous “Page 10”] was provided to the Council prior to the August 22<sup>nd</sup> Council Meeting and is reviewed below with the recommendations from staff as originally recommended and then the first revision, which reflects the current staff recommendation. An explanation of the staff rationale is included for Council consideration. It is suggested that the Council jointly complete the suggested adjustments within the open column as each area is addressed.

| <b><u>Budget Area – Consideration</u></b> | <b><u>Staff Recommend</u></b> | <b><u>First Revision</u></b> | <b><u>Council Decide</u></b> |
|---|-------------------------------|------------------------------|------------------------------|
| <b><u>2011 Levy:</u></b>                  |                               |                              |                              |
| • General Fund                            |                               |                              | \$12,980,351                 |
| • Ambulance Service Fund                  |                               |                              | \$ 0                         |
| • Community Center Fund                   |                               |                              | \$ 340,000                   |
| • Recreation Programs Fund                |                               |                              | \$ 225,000                   |
| • Cap. Improve Projects Fund              |                               |                              | \$ 0                         |
| • Fire Truck Fund                         |                               |                              | \$ 0                         |
| • Park Development Fund                   |                               |                              | \$ 0                         |
| • Redevelopment Fund                      |                               |                              | \$ 0                         |
| • Debt Service Fund                       |                               |                              | <u>\$ 3,958,103</u>          |
| • TOTAL 2011 LEVY                         | \$ 17,503,454                 | \$17,503,454                 | \$17,503,454                 |

**Staff Explanation:** *The basis of each year’s budget begins with the previous year’s levy. Adjustments in both dollar amounts and percentage are based on that amount. The above numbers reflect the values certified for collection to Ramsey County and provided to the State of Minnesota as the Maplewood Certified Levy.*

- Market Value Credit                    \$            0            \$ (525,000)                    \_\_\_\_\_

**Staff Explanation:** As part of the state budget compromise that ended the shutdown, the 2012 Market Value Homestead Credit (MVHC) program was eliminated. During the previous years, Maplewood has calculated that the MVHC program was part of the collection rate for property taxes. For example, in years that the MVHC program was likely to be reduced or payments not made by the state, the City assumed that our collection rate for taxes would be reduced. Because the program has been eliminated, it will eliminate that collection rate calculation and provide a certainty that the previous MVHC amount will be collected. [As a note: staff assumed a collection rate of 92.5% in previous years when it was highly likely that a MVHC payment was not forthcoming from the state of Minnesota. We are assuming a 96.0% collection rate for 2012.] The final impacts of the elimination of the MVHC are still being determined. The League of Minnesota Cities, in a webinar on August 19<sup>th</sup>, provided information on the likely impacts. While the information is preliminary, it appears that the average home on a state-wide basis with a value of \$76,000 or less will receive a credit such that the MVHC elimination shift will have no impact on their taxes. Conversely, homes with a property value in excess of \$413,000 could see a 3.0 – 4.5% increase in their taxes, even if the City levy increase is 0.0%. Similar impacts to non-homestead property, such as Commercial, Industrial and Apartments will occur as part of that shift. It is noted that this shift will also occur for both School District and County levies and results in an increase of over \$250 million on a state-wide basis [\$23.5 million for the County and \$2.1 million in Maplewood] through this shift. It is the staff recommendation that the Council assume this full value for collection at this time and assume/understand the impacts of the property tax shift. As the final levy information is prepared, additional reports will be provided in October and November before the City Council holds the budget hearing in December 2011.

**2012 Proposed Budget**

From Capital Improvement Plan:

- Decrease Rec Program Levy (\$ 25,000)                    (\$ 25,000)                    \_\_\_\_\_

**Staff Explanation:** The City Manager's Finance Team recommended this amount that will likely require a 5 percent across the board increase in fees and elimination of four programs. The \$25,000 decrease is a 12 percent reduction from 2011. The proposed expenditures in this program are increasing by 10.4%.

- Increase Comm Center Levy \$ 120,000                    \$ 120,000                    \_\_\_\_\_

**Staff Explanation:** The City Manager's Finance Team recommended this increase in funding based upon numerous discussions with the City Council early this year. Park and Recreation Director DuWayne Konewko reported that the operating loss at MCC will be reduced from the estimated \$349,020 in 2011 [which was down from the operating loss of \$423,271 in 2010] to a projected operating loss of \$226,900 in 2012. This increase provides for the operating loss plus an expenditure of approximately \$225,000 for capital projects in 2012, some of which have already been awarded for pool improvements in 2011, in advance of this budget approval.

- New Public Safety Levy                    \$ 350,040                    \$ 350,040                    \_\_\_\_\_

**Staff Explanation:** The City Manager's Finance Team recommends that the Council dedicate a portion of the levy to the Ambulance Fund, which ended 2010 with an operating loss for the year in excess of \$685,000. This is mainly due to reduced collections for Medicare calls. Further discussions of this item are listed below under Fire Department.

- Debt Service Levy                      \$    250,000                      \$    250,000                      \_\_\_\_\_

**Staff Explanation:** *The Finance Manager has analyzed the Debt Service Fund and has reported that the Fund is in good shape. This increase will provide for continuing a reduced Street Reconstruction Program in 2012. The new levy amount for Debt Service will be \$4,208,103, which, if the staff recommended levy of \$18,041,034 is approved, will mean that 23.33% of the levy is dedicated to the debt payment fund. Good fiscal policy and Maplewood financial policy limit the debt payment amount to the 15-25% range, which means this increase will continue to move the debt payment into the higher, but acceptable, range. The Finance Manager has also reported that a decrease in debt service payments does not begin until 2015-2016, so this payment amount needs to be continued to be monitored, although the recent bonding required an analysis by our debt rating agency, which re-affirmed Maplewood's very good to excellent bond rating.*

- CIP for Police Expansion            \$    150,000                      \$    150,000                      \_\_\_\_\_

**Staff Explanation:** *This fund allocation is a result of reductions in expenditures in the Police Department that are being prioritized to the expansion project. The Police Space Needs Study found that a major expansion is needed to meet the overall department needs. A more detailed report on the capital investment plan is being prepared for later this fall for Council review. This allocation, plus an additional amount for the Public Safety CIP Bonds, will be needed to meet the major investment. Monitoring of this debt, along with the debt for Fire Station Improvements, East Metro Training Fire Training Facility and Street Improvement Projects will need to be monitored as noted above to maintain the very good to excellent bond rating.*

- CIP for Park Replacement        \$     95,000                      \$     95,000                      \_\_\_\_\_

**Staff Explanation:** *This allocation of funds is an expansion of the amount dedicated in 2011 by \$50,000 from \$45,000 to \$95,000. The additional \$50,000 was cut from the Park and Recreation funds dedicated from the levy [see the reduction in the Recreation Program Fund as a partial reduction]. This has been a goal of the Council to provide for funds to replace our aging park infrastructure.*

- CIP for Other Capital Improv. \$    45,000                      \$    45,000                      \_\_\_\_\_

**Staff Explanation:** *This allocation is actually combined with the Park Replacement expenditure listed above, however, is listed separately because the \$45,000 for Park Replacement was funded with reserve funds in 2011. Those reserve funds have been depleted and this fund now needs levy expenditures to remain solvent.*

- Fire Truck Replacement Levy \$    100,000                      \$    100,000                      \_\_\_\_\_

**Staff Explanation:** *This allocation of the levy provides for replacement of fire trucks. The fund has a balance of \$426,136, which is designated for a truck replacement in 2013. This \$100,000 allocation is proposed to be placed into this fund beginning in 2012 for a five-year period so that adequate dollars are available in 2016 for a second truck replacement.*

- Public Safety CIP Bonds        \$            0                      \$    50,000                      \_\_\_\_\_

**Staff Explanation:** *This allocation is explained as part of the CIP for Police Expansion along with an allocation for new Fire Stations in future years. While actual bonds may not be sold in 2012, it is proposed to begin allocating a portion of the levy in preparation.*

General Fund Issues:

- Fund Balance at 38.5%           \$   100,000           \$   100,000           \_\_\_\_\_

**Staff Explanation:** This allocation is a holding category that is tied to the 2011 revenue and expenditure items and how the General Fund ends 2011, and thus has a balance to begin 2012. The Council approved the increase from 36.7% to 38.5% in the Fund Balance when the 2010 final expenditures and revenue review revealed an approximately \$800,000 available balance. The staff is recommending this amount as a conservative estimate that assumes the 2011 budget will end the year at lower levels and will need a dedication of the levy to return the Fund Balance percentage from 36.7% within the 2011 Budget to a level of 38.5% of revenues in the 2012 Budget. The difference between the 38.5% and the 36.7% is 1.8%. The 1.8% of the \$18.4 Million General Fund budget is \$331,200, which is a one-time increase in the levy. This \$100,000 will be added to the staff estimate of funds that will not be spent in 2011 that will be remaining available to reach the \$331,200 amount. A better estimate of the funds needed for this expenditure will not be known more accurately until mid-November 2011.

- Employee Benefit Fund           \$   126,000           \$   126,000           \_\_\_\_\_

**Staff Explanation:** This allocation is proposed as a cash transfer into the Employee Benefits Fund to cover the increase cost for employee health care benefits. All employee contracts are settled for 2012 and the increase in health care costs will be borne approximately +80% by the City under those contracts. Based on current information, the health care costs for 2012 could increase as much as 10%, with a cap of 15%. A 10% increase would impact the City by approximately \$160,000, while the current budget assumed an increase of only \$60,000. Staff is working with the employee groups on methods to consider alternatives that would save these funds, however, the outcome of those efforts will not be known until October or November. This is more critical in 2012, because this fund has a negative balance after a number of years of mandatory leave. Similar to the above explanation, the finance team will not know specific numbers necessary for this expense until later in the year, so this is a conservative estimate for the setting of the levy.

- 2012 department budget requests:
  - Citizen Services           \$           0           \$           0           \_\_\_\_\_

**Staff Explanation:** No reductions to the request by Citizen Services Director Karen Guilfoile and the City Manager's Finance Team are required.

- Comm Development   \$   (49,860)           \$   (49,860)           \_\_\_\_\_

**Staff Explanation:** The reductions within the Community Development Department call for a revision in assignment of time for the Assistant Building Official, reductions in expenses for supplies and consultant costs, and a staffing assignment revision.

- Executive Department\$   (24,210)           \$   (30,000)           \_\_\_\_\_

**Staff Explanation:** The reductions within the Executive Department are proposed to reduce the contractual time of the HR Attorney for the first half of 2012.

- Finance Department   \$           0           \$           0           \_\_\_\_\_

**Staff Explanation:** No reductions to the request by Finance Manager Gayle Bauman and the City Manager's Finance Team are required.

- Fire Department      \$ (114,520)      \$ (86,640)      \_\_\_\_\_  
**Staff Explanation:** *The Fire Department expenditure reductions are part of the plan to control costs and dedicate funds to capital expenditures. The EMS/Ambulance Fund has operated significantly negative over the past years. The proposed reductions as well as a dedication of the proposed \$350,040 of levy are the most critical component of this budget proposal. The dedication of this amount, which is approximately 2.0% of the levy is similar to the current method that we have a levy for the MCC Fund. The City Manager's Finance Team recommends this special levy, rather than pursuing a specific levy for Public Safety, because levy limits are not in force, and there are no provisions for a specific levy for just Public Safety. The proposed budget for the Fire Department is proposed to be decreased from \$3,975,320 in 2011 to \$3,825,130 in 2012. It needs to be noted that without the Special Public Safety Levy, there will need to be a major change in the proposed budget to reduce the Administrative Charge to the EMS Fund from \$320,000 to \$0. This would reduce the General Fund by \$320,000. Thus, the actual Fire Department expenditures increase by \$30,040 [\$350,040 - \$320,000] after all the reductions and revisions. Thus, the City Manager's Finance Team recommended a reduction of \$114,520 from this increased expenditure. After meetings with Fire Chief Lukin, it was determined that a more reasonable reduction would be \$86,640. This reduction will mean that the department will not be able to continue the expansion of the force in 2012, but does not reflect a reduction in the department staffing levels, except the Department Administrative Assistant will be reduced from full-time to 80% time. In addition, the dedication of the \$350,040 from the general levy, along with the other revisions provides the necessary changes to begin a 5-year to 7-year process to refund the dollars borrowed from other sources for the EMS expenditures in the past 5-6 years.*

- IT Department      \$ 0      \$ 0      \_\_\_\_\_  
**Staff Explanation:** *No reductions to the request by IT Director Mychal Fowlds and the City Manager's Finance Team are required.*

- Legislative Dept      \$ (8,850)      \$ (8,850)      \_\_\_\_\_  
**Staff Explanation:** *This reduction is proposed from the allocation of funds set aside for the council to use for outside studies and advice.*

- Parks Department      \$ 0      \$ 0      \_\_\_\_\_  
**Staff Explanation:** *No reductions to the request by Park and Recreation Director DuWayne Konekwo and the City Manager's Finance Team are required.*

- Police Department      \$ (179,250)      \$ (179,250)      \_\_\_\_\_
  - Squad Cars      \$ 0      \$ 84,000      \_\_\_\_\_
  - Liaison revenue\$      0      \$ 62,000      \_\_\_\_\_

**Staff Explanation:** *The proposed reductions in the Police Department are proposed to keep the department levels at 53 sworn officers as provided in the 2011 Budget as well. Approximately \$24,000 in various supplies and contracts are proposed for reductions. The squad car and liaison revenue items are part of the original reductions. The squad cars may be funded from extra 2011 funds, however, as noted by Chief Thomalla, that is a gamble. The revised staff proposal is to show the expenditure. Similarly, the Liaison revenue is shown as not being received to set the maximum levy, but may be available and can be cut from the final budget approved. Again, this is a conservative approach to set the maximum levy.*

- Public Works Dept    \$    (129,860)                    \$    (89,860)                    \_\_\_\_\_

**Staff Explanation:** *The proposed reductions in the Public Works Department are substantial and will impact delivery of critical services. A realignment of staff within the engineering division will result in fewer personnel in public works. This is due to the reduced allocation of funds for Street Reconstruction as the budget focus is shifted toward Public Safety facilities. The original proposal for reductions by Public Works called for a reduction of \$129,860. That expenditure was met by reducing costs toward the Debt Service expense by \$40,000, so the actual expenditure reduction for Public Works is recommended at \$89,860. At this time, the Debt Service Levy may be reduced by the \$40,000 amount, but a final determination is not available as to the fund analysis until October – November 2011.*

- Tartan Arena Fund                    \$    50,000                    \$            0                    \_\_\_\_\_

**Staff Explanation:** *The proposed expenditure for Tartan Arena depreciation was originally thought necessary to meet the arena needs. However, after the original explanation was provided, the school district and Oakdale officials agreed that improvements can be scheduled to coincide with the expiration of the original bonds for the construction of the facility such that the annual costs should not be increased. At this point, it does not appear that additional funds are necessary for this program.*

- \$20,000 Taste of Maplewood \$ \_\_\_\_\_ 0                    \$ \_\_\_\_\_ 0                    \_\_\_\_\_

**Staff Explanation:** *The proposal from the City Manager’s Finance Team is to continue funding the Taste of Maplewood with \$20,000. No changes are recommended. A more detailed report on the 2011 Taste of Maplewood will not be available until September – October, when a final report will be provided.*

|                            |               |              |       |
|----------------------------|---------------|--------------|-------|
| TOTAL 2012 MAXIMUM LEVY    | \$ 18,357,944 | \$18,041,034 | _____ |
| ● 2012 Percentage Increase | 4.88%         | 3.07%        | _____ |

**Future Action**

- September 12, 2011 - City Council adopts a resolution setting Maximum Levy
- September 26, 2011 – Work Session on Capital costs - Police Expansion and Fire Stations
- October 24, 2011 – Work Session updating Council on 2011 Expenditures/Revenues
- November 7 or 14, 2011 – Work Session discussion on Final 2012 Budget Issues
- December 5, 2011 – City Council holds 2012 Budget Hearing

**Recommended Action**

It is recommended that the City Council complete the attached spreadsheet and provide direction on the final levy amounts.

Attachment  
1. 2012 Budget Review Spreadsheet ["Page 10"]

**2012 Budget Review Spreadsheet**

**Budget Area – Consideration      Staff Recommend      First Revision      Council Decide**

2011 Levy:

|                              |               |              |                     |  |
|------------------------------|---------------|--------------|---------------------|--|
| • General Fund               |               |              | \$12,980,351        |  |
| • Ambulance Service Fund     |               |              | \$ 0                |  |
| • Community Center Fund      |               |              | \$ 340,000          |  |
| • Recreation Programs Fund   |               |              | \$ 225,000          |  |
| • Cap. Improve Projects Fund |               |              | \$ 0                |  |
| • Fire Truck Fund            |               |              | \$ 0                |  |
| • Park Development Fund      |               |              | \$ 0                |  |
| • Redevelopment Fund         |               |              | \$ 0                |  |
| • Debt Service Fund          |               |              | <u>\$ 3,958,103</u> |  |
| • TOTAL 2011 LEVY            | \$ 17,503,454 | \$17,503,454 | \$17,503,454        |  |
| • Market Value Credit        | \$ 0          | \$ (525,000) |                     |  |

2012 Proposed Budget

From Capital Improvement Plan:

|   |  |             |  |  |
|---|--|-------------|--|--|
| • Decrease Rec Program Levy (\$ 25,000)   |  | (\$ 25,000) |  |  |
| • Increase Comm Center Levy \$ 120,000    |  | \$ 120,000  |  |  |
| • New Public Safety Levy \$ 350,040       |  | \$ 350,040  |  |  |
| • Debt Service Levy \$ 250,000            |  | \$ 250,000  |  |  |
| • CIP for Police Expansion \$ 150,000     |  | \$ 150,000  |  |  |
| • CIP for Park Replacement \$ 95,000      |  | \$ 95,000   |  |  |
| • CIP for Other Capital Improv. \$ 45,000 |  | \$ 45,000   |  |  |
| • Fire Truck Replacement Levy \$ 100,000  |  | \$ 100,000  |  |  |
| • Public Safety CIP Bonds \$ 0            |  | \$ 50,000   |  |  |

General Fund Issues:

|   |              |              |  |  |
|---|--------------|--------------|--|--|
| • Fund Balance at 38.5%                   | \$ 100,000   | \$ 100,000   |  |  |
| • Employee Benefit Fund                   | \$ 126,000   | \$ 126,000   |  |  |
| • Reduce 2012 department budget requests: |              |              |  |  |
| ○ Citizen Services                        | \$ 0         | \$ 0         |  |  |
| ○ Comm Development                        | \$ (49,860)  | \$ (49,860)  |  |  |
| ○ Executive Department                    | \$ (24,210)  | \$ (30,000)  |  |  |
| ○ Finance Department                      | \$ 0         | \$ 0         |  |  |
| ○ Fire Department                         | \$ (114,520) | \$ (86,640)  |  |  |
| ○ Legislative Dept                        | \$ (8,850)   | \$ (8,850)   |  |  |
| ○ Parks Department                        | \$ 0         | \$ 0         |  |  |
| ○ Police Department                       | \$ (179,250) | \$ (179,250) |  |  |
| ▪ Squad Cars                              | \$ 0         | \$ 84,000    |  |  |
| ▪ Liaison revenue                         | \$ 0         | \$ 62,000    |  |  |
| ○ Public Works Dept                       | \$ (129,860) | \$ (89,860)  |  |  |
| • Tartan Arena Fund                       | \$ 50,000    | \$ 0         |  |  |
| • \$20,000 Taste of Maplewood             | \$ 0         | \$ 0         |  |  |

|                            |               |              |  |  |
|----------------------------|---------------|--------------|--|--|
| TOTAL 2012 MAXIMUM LEVY    | \$ 18,357,944 | \$18,041,034 |  |  |
| • 2012 Percentage Increase | 4.88%         | 3.07%        |  |  |