

# Memo

**To:** Honorable Mayor and City Council  
**From:** Joe Kohlmann, City Administrator  
**Date:** November 13, 2012  
**Re:** Garbage and Recycling/Yard Waste

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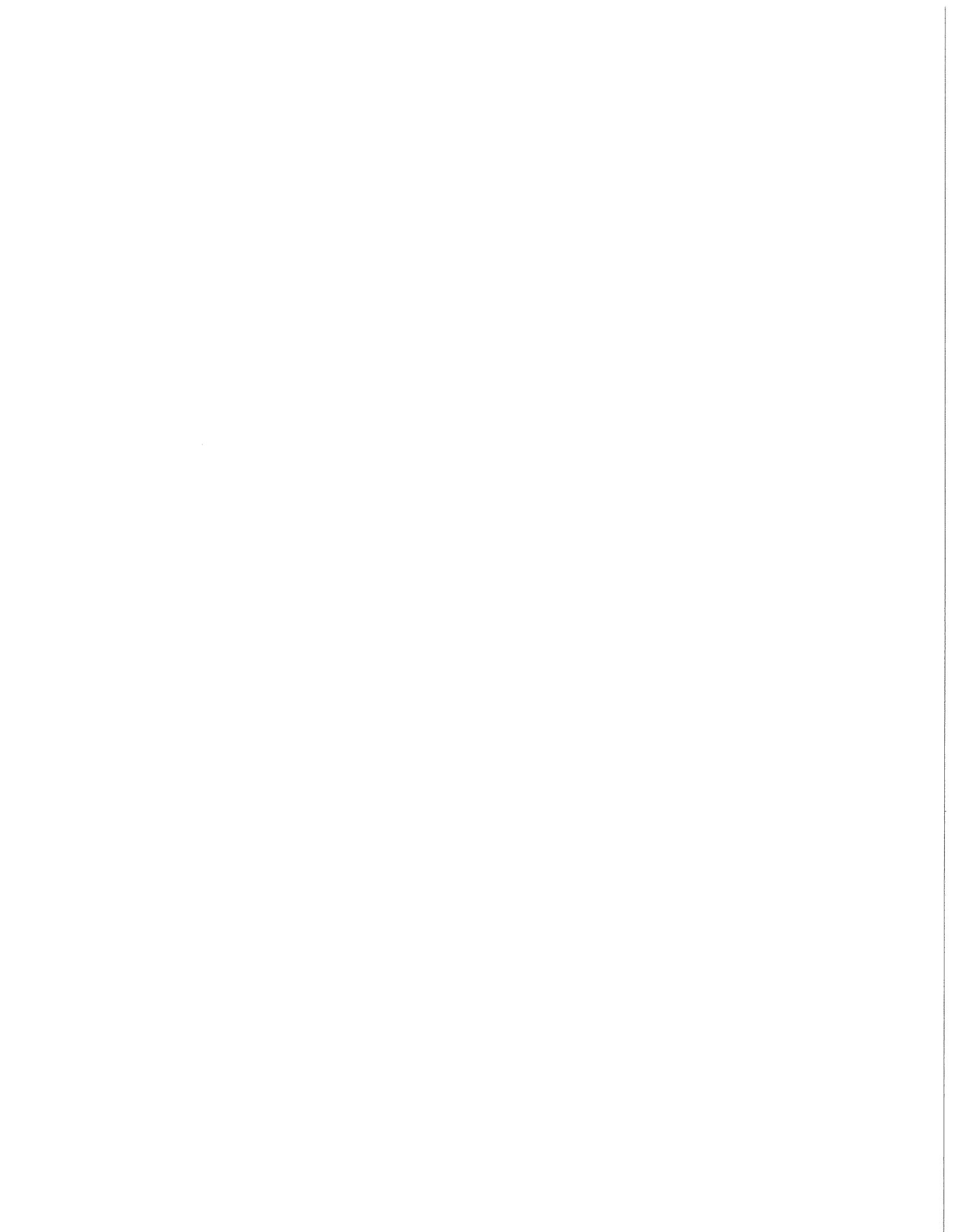
Attached are the Garbage and Recycling/Yard Waste Funds. Also attached is Allied's latest contract proposal.

In reviewing Allied's latest proposal they are actually recommending a decrease in 'garbage rates' but increases in 'recycling' and 'yard waste'. This coupled with an almost \$8,500 shortfall from a budgeted 2010 Recycling revenue has created an interesting dynamic between these two funds.

Historically, our garbage and recycling have made 'profit', although recycling has not in '10, '11 and '12. In determining a sustainable rate for the recycling fund, the only way to bring revenues up is to increase the recycling rate approximately 30%. This is mainly due to a decrease in revenue from recycling and a 26% increase in recycling and yard waste by Allied.

One issue to examine is that when someone signs up for 'garbage', allied includes the cost of 'yard waste' as part of this service. However, the City expenses the 'yard waste' to the recycling fund. This would have worked perfectly when the Recycling Fund was making money. However, that is not the case anymore. It may be feasible to move the expense for 'yard waste' over to the garbage side.

If we kept everything the same as past years. The City would keep the garbage rate of \$66.66 for non-recycling. The recycling garbage rate would be maintained at \$38.87. Finally the recycling rate would need to increase from \$22.92 to \$29.84 to make up the increase in recycling and loss of recycling revenue. Since we only book 'recycling rates' to the recycling fund, there is really no increase to the 'yard waste' and so the increase needs to happen in recycling.



## Allied Waste's pricing proposal for the Waste, Recycling and with Two Options for Yard Waste Services in Tonka Bay:

The proposed pricing that we'd like to offer to Tonka Bay shows just a small increase over the current service rates while maintaining all of the current services. Below is the pricing outline we'd like to offer to the City over the next 5 year extension term—with NO CHANGES TO THE CURRENT AGREEMENT (Yardwaste Service Remains).

<i>Rates for a 5 Year Agreement WITH Yard Waste Service</i>	Current Rates thru 4/30/12	5/1/12 thru 4/30/13	5/1/13 thru 4/30/14	5/1/14 thru 4/30/15	5/1/15 thru 4/30/16	5/1/16 thru 4/30 17
Garbage Collection and Hauling Rates	\$6.74	\$5.35	\$5.51	\$5.67	\$5.84	\$6.02
Yard Waste Collection & Hauling Rates	\$3.24	\$4.00	\$4.12	\$4.24	\$4.37	\$4.50
Recycling Collection, Hauling, Processing and Marketing	\$3.95	\$5.00	\$5.15	\$5.30	\$5.46	\$5.63
State and Hennepin County Taxes	\$1.27	\$1.00	\$1.03	\$1.06	\$1.10	\$1.13
<b>Total Monthly Rate per Household</b>	<b>\$15.20</b>	<b>\$15.35</b>	<b>\$15.81</b>	<b>\$16.27</b>	<b>\$16.77</b>	<b>\$17.28</b>



**A REVISED Proposal to Extend the Current Contract for the  
Trash, Recycling, & Yardwaste Collection Services Presented to**

# **The City of Tonka Bay**

**Mayor William LaBelle and City Council Members Anthony Marceau,  
Gerry De La Vega, Jeff Anderson and Loretta Holscher**



**by Allied Waste Services  
\*\*REVISED February 21, 2012\*\***

