Public Works Recommendations for Garbage and Recycling Programs
12/15/2022

SAINT PAUL
MINNESOTA

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Executive Summary

Introduction

All 1- 4-unit residential properties located in Saint Paul are included in the City's garbage program. The contract between the City and St. Paul Haulers, LLC ends September 30, 2023.

This report provides recommendations of Public Works for the next iteration of the City's garbage program. Most of these recommendations closely match the recommendations of the Saint Paul Garbage Advisory Committee, which were presented to the City Council on September 14, 2022.

The Next Iteration of the City's Solid Waste Management Program

Public Works recommends the City approach sustainability and garbage, recycling, and yard and bulky waste management using the integrated solid waste management strategies of Ramsey County and the State. Specific recommendations are outlined below.

Garbage Services

Public Works recommends strengthening measures in the next contract to hold haulers accountable, providing a municipal collection option, and tracking total waste across the City to accurately gauge waste reduction.

Customer Service

It is recommended that garbage and recycling customer services be moved from hauler-provided customer service to a section of Resident and Employee Services (R&ES) in Public Works.

Bulky Item Services

Bulky item collection is recommended to be included in the base rate charged to customers.

Organics Programs

Ramsey County is developing a program that will encourage residents to put food scraps in a compostable bag, which will be collected in the cart with their garbage. It is recommended that the City should continue to partner with the County to support the food scrap residential collection program and maintain and expand the drop-off locations.

Yard Waste Services

Yard waste collection should remain as a separate, optional paid service, and residents should have both annual and per bag options.

Garbage Service Levels

Cart Sharing

Public Works recommends adjacent properties or residents in multi-unit buildings may be allowed to share garbage service with conditions that the number and size of carts shall be appropriate to the waste generated in the sharing properties, the annual fee to apply for Cart Sharing shall be sufficient to cover the administrative and enforcement costs of the City, and placement of additional carts or revocation of cart sharing may be implemented by the City for cause.

Opting out of City Garbage Service

Public Works recommends an opt-out process be in place only for single-unit properties.

Billing

It is recommended that garbage billing be performed by the City. It is recommended the Garbage Bill contain the following components:

- Base Fee to cover functions and services common to all customers.
- Disposal Fee (to vary with cart size/collection frequency).
- Additional Charges (yard waste, extra bags, extra bulky items).

Cart Management

Public Works recommends the City perform cart management, including purchase, storage, delivery to residents, inventory, warranty, and data management.

Use of City Employees for a Portion of Services

In addition to Customer Service and Cart Management, it is the recommendation of Public Works that City employees perform ten percent (10%) of the garbage, yard waste, and potentially recyclables collection services with expansion as economics and efficiency prove prudent.

Funding of Program

The current garbage and recycling programs are not part of the General Fund and have several funding sources. Public Works recommends the Garbage Program remain an enterprise program (outside the General Fund).

It is recommended that City financing, to be recovered through future solid waste bills, be used to fund the capital costs of the City-provided Solid Waste services.

I. Introduction

Between 2009 and 2015, the City of Saint Paul increased efforts toward sustainability, environmental and public health protection, and conservation of energy and natural resources.

Studies by the State of Minnesota and the Wilder Foundation found that many City residents paid a higher cost for solid waste management than surrounding cities. In 2015, the Macalester-Groveland Community Council researched trash collection in Saint Paul through surveys, community meetings, and interviews, and urged the City to adopt organized trash collection.

On July 19, 2017, the Council directed City staff to negotiate with the existing licensed residential garbage collectors, in accordance with Minnesota Statutes, to develop the Saint Paul Coordinated Collection Program. The goals of the negotiations were:

- Stable, uniform rates and reasonable, low costs.
- Reduced illegal dumping.
- Reduced truck traffic.
- Equitable service and pricing.

On November 18, 2017, the Council authorized the execution of a 5-year contract between the City of Saint Paul and St. Paul Haulers, LLC for the provision of garbage collection services. All 1-4-unit residential properties located in Saint Paul became part of this system. The contract between the City and St. Paul Haulers, LLC ends September 30, 2023.

In preparation for the next iteration of the solid waste management program, the City formed a Garbage Advisory Committee. This Committee presented its' report and recommendations to the City Council on September 14, 2022. The Committee's report can be found at: https://www.stpaul.gov/sites/default/files/2022-07/Garbage%20Advisory%20Committee%20Report%206.22.22.pdf. Public Works has drawn heavily on the work of the Committee in our recommendations.

The Next Generation of the City's Solid Waste Management Program

Public Works has evaluated the existing garbage and recycling programs and the Report of the Garbage Advisory Committee. It is recommended the City approach sustainability and garbage, recycling, and yard and bulky waste management using the integrated solid waste management strategies of Ramsey County and the State. This will focus our efforts using the hierarchy of management options: reduce, repair and reuse, recycle, compost, waste-to-energy, and lastly, landfilling of waste materials.

The Garbage Advisory Committee unanimously agreed the focus of the next garbage program should be to keep Saint Paul clean. They also recommended a focus of the next

program "should be to invest in and promote reduce/reuse/recycle and NOT just throw away more." Public Works will continue the waste reduction efforts piloted in the County-funded food waste reduction and home composting programs, leverage County programs in repair and reuse, enhance customer education in recycling and garbage program compliance, and support the food scraps and disposal programs of Ramsey/Washington Recycling & Energy.

II. Customer Service

Existing Program

Residents, who have questions about services or problems with the collection services and/or bills for service, must first call the garbage or recycling haulers to try to resolve these issues. If satisfaction is not achieved, the City attempts to answer questions and mediate/resolve disputes. This has resulted in confusion from residents about who to call, who can resolve issues, what the "rules" are, what specific services are provided, and less-than-optimal service to our residents and customers.

Recommendation

In agreement with the Garbage Advisory Committee, it is proposed that solid waste (garbage and recycling) customer services be moved from hauler-provided customer service to a section of Resident and Employee Services (R&ES) in Public Works. Bringing all solid waste customer service functions into a City-managed unified platform will:

- Allow customers to have related garbage and recycling questions answered in one call.
- Optimize service to our residents and customers.
- Integrate call data with education and enforcement efforts.
- Leverage citywide options.
- Provide necessary evidence for contract enforcement.

R&ES was an early adopter of Zendesk, a customer experience application implemented in conjunction with OTC. The Zendesk platform has provided Public Works staff with strong functionality in call and email answering, call/complaint tracking, knowledge sharing, and robust reporting that has enabled vendor performance management to address customer issues. Use of Zendesk has allowed customers "24 X 7" opportunities for access to program information, to report issues or request services. An expansion of the City's use of Zendesk is being evaluated to support the integration of the solid waste program and complement Public Works functions. These enhancements will also include cart inventory, work order tracking, resident education tracking, and data management for billing of garbage services.

Public Works estimates leveraging the efficiencies of Zendesk will allow it to provide integrated customer service and solid waste billing functions with one (1) additional FTE

above current strength. The billing and customer service programs will be funded by the current Solid Waste Fee on the property tax and the $1.99/month that is on charged to residential customers on their garbage bill. (See IX. Billing)

III. Recycling Services

Existing Program

The City has a single contractor, Eureka Recycling, for collection of recyclables from all residential dwellings in the City. Eureka Recycling also provides customer service and cart management activities. The collection contract ends April 30, 2023. A Request for Proposals (RFP) has been issued to solicit recyclables collection services. The RFP allows entities to propose on the 1-4-unit dwellings, properties with 5-11 units, and/or properties with more than 12 dwelling units as well as municipal buildings and facilities. Proposals can be submitted covering any or all the property categories.

All collected recyclables are delivered to single processing and marketing contractor, also Eureka Recycling. The processing contract ends April 30, 2025.

Recommendation

Public Works will submit a recommendation for collection of recyclables under separate cover after proposals are submitted and evaluated.

Public Works recommends future recycling customer service activities be provided by the City as part of the garbage customer service functions. Many customers have both garbage and recycling questions and merging all solid waste customer activities will end forwarding of calls between sections, provide more effective service, and leverage the staff resources efficiently. (See II. Customer Service).

IV. Garbage Services

Existing Program

The City has a contract for garbage, bulky item, and yard waste collection with the St. Paul Haulers' Consortium; the contract also requires the members of the Consortium to provide cart management, customer service, and billing functions. There are currently five (5) company members of the Consortium: Aspen Waste, Gene's Disposal Service, Highland Sanitation, Republic Services, and Waste Management. The contract ends September 30, 2023. The terms of the contract require the haulers to collect garbage and deliver it to the County-designated location. The haulers pay the tipping fee at the disposal facility. The haulers must also provide data and certain reports to the City.

Garbage collection protects public health and safety, reduces the incidents of illegal dumping by residents, and protects the environment through proper disposal of waste that is not able to be repaired, reused, or recycled.

Recommendation

The Garbage Advisory Committee had several recommendations, which Public Works also supports, including strengthening measures in the next contract to hold haulers accountable, providing a municipal collection option, and tracking total waste across the City to accurately gauge waste reduction. Specific garbage service recommendations are discussed below.

V. Bulky Item Services

Existing Program

Bulky items include furniture, large plastic toys, appliances, electronics and TVs, mattresses/box springs, and other waste items that do not fit into a garbage cart. Bulky items do not include construction and demolition wastes, car parts, stumps and large branches, or large landscape materials.

While not every resident needs to dispose of bulky items every year, over time almost all residents have bulky items to dispose of. Homes in older areas of the City that are remodeled, for instance, may need to dispose of several kitchen appliances in one-year, rental properties that turn over frequently may end up with furniture items left for disposal, and families whose children grow up may repurpose rooms and discard items.

The garbage contract includes collection and disposal of 2 or 3 bulky items, depending on cart size, per residential property unit per calendar year at no additional charge. Small cart service, with either every week or every other week collection includes two bulky items per year at no additional cost. Medium and large cart service includes three bulky items per year at no additional cost. Haulers must be contacted in advance to determine the set-out date. Collection and disposal of more than two or three bulky items can be arranged with the haulers for contract-specified additional charges ($10-$35 per bulky item plus tax). (Additional data is found in Appendix A. Bulky Item Deep Dive.)

The City's recycling program funds drop-off programs, which are held in collaboration with District Councils. Two events were held in 2022, which were available to all Saint Paul residents; the September event at the Fairgrounds was also available to Falcon Heights residents. The 2022 events accepted appliances, electronics, mattresses, and tires for a fee. Small electronics, scrap metal, bikes, paper for shredding, and flattened cardboard were accepted at no charge. The City also supports a Holiday Lights drop-off program in collaboration with the Saint Paul Libraries, and a cardboard drop-off program over the holiday season in collaboration with the Saint Paul Police Department at the Western District building. (Additional data is found in Appendix A. Bulky Item Deep Dive.)

The drop-off events have attracted fewer persons over the past years as the list of acceptable materials has changed and the City's Bulky Items program has grown. The Holiday Lights and cardboard programs continue to grow. Ramsey County is enhancing their hazardous and electronic wastes programs. Computers, televisions, monitors, and printers, for example, are now accepted free of charge at RePowered (formerly TechDump), and the County is reviving repair and reuse clinics.

Recommendation

Public Works agrees with the Majority Recommendations of the Garbage Advisory Committee that bulky items should be addressed in the next garbage programs, that reuse/recycling whenever possible should be prioritized, and a better/easier way to schedule bulky item pickup is needed. Public Works also agrees with many of the Minority Recommendations, including recognition of the complexity of bulky item management.

Bulky item collection is recommended to be included in the base rate charged to customers (see A. Base Fee (what's included)). Up to two items each week with a maximum of 6 items per year would be removed at no additional charge from a residence without the need to call for collection. Removals would be tracked, and those with over six items would be charged for the excessive items on their bill. All electronics and metal items able to be recycled will be, and non-metal bulky items will be evaluated for reuse/recycling prior to potential disposal.

Public Works will continue to collaborate with the District Councils, Saint Paul Libraries, Saint Paul Police Department, Ramsey County, and the R&E to seek opportunities for reuse/recycling of bulky items.

It is understood that many items are not currently recyclable, but new reuse and recycling opportunities will be sought. All programs will continually be reevaluated to provide convenient, cost-effective services to residents that are not duplicative of other programs.

VI. Organics Programs

Existing Program

Organics include food scraps, non-recyclable paper (paper towels, tissues), and BPI Certified compostable service ware (plates, cups, utensils, and to-go containers).

Saint Paul has collaborated with Ramsey County, Saint Paul and Ramsey County Parks, District Councils, and private entities to establish 24/7 drop-off organic sites in the City. There are currently four (4) food scrap-only and four (4) food scrap/yard waste locations in Saint Paul available to residents.

Saint Paul used County grant resources to pilot a food waste reduction program in 2021 and led a virtual six-week Food Waste Reduction Challenge with 145 households. Participating households tried new recipes using food scraps while learning ways to minimize food spoilage, tracked their food wastes, and shared their successes and questions with fellow participants. Participants reported an average decrease in food waste of 45%, and 100% of the households reported increased knowledge of practices to prevent food waste. The tools and resources that were developed were translated into Hmong, Somali, Karen, Spanish, and Oromo as part of the strategy to increase accessibility to all residents of Saint Paul.

In 2022, also using County grant funds, backyard composters were offered to residents who completed an in-person class, participated in an online user group, and reported the weight of food waste composted. Ninety residents attended one of the four Composting 101 workshops that were hosted in partnership with local community leaders and held in the East Saint Paul and Frogtown neighborhoods. Participants reported diverting an average of 5 lbs. per household per week and more than 10 tons of food waste was diverted.

Recommendation

Ramsey County is developing a program that will allow residents to put separated food scraps in a compostable bag, which will be collected in the cart with their garbage and processed at the Recycling & Energy Center (R&E). The two counties will begin piloting the program in 2023 and roll-out in Saint Paul is expected in 2024. Residents will be able to order a year's supply of compostable bags online at no additional cost. Because the organics will be placed in the garbage carts, they will be subject to the State and County Solid Waste Management taxes per state law.

Public Works recommends the City partner with the County in support of the food scrap collection program and continue its' partnership with the County and others to maintain and expand the drop-off locations. As funding is available, we also recommend extending the food waste diversion and composting programs which were piloted in 2021 and 2022.

VII. Yard Waste Services

Existing Program

Yard wastes include grass clippings, garden weeds, bundles of small branches, and fall leaves. Yard wastes do not include food wastes/organics, pet wastes, stones, hardscape materials, large branches, or stumps. Yard waste may not be placed in garbage carts and cannot be disposed of in plastic bags.

Residents can contract with haulers for weekly service April-November, including a yard waste cart and up to eight (8) yard waste bags per week. Residents can also purchase "pay-

per-bag" service by calling the hauler for $3 per bag. Yard waste services do not have a State or County Solid Waste Management Tax added.

Recommendation

Public Works agrees with the majority opinion of the Garbage Advisory Committee that yard waste collection should remain as a separate, optional paid service, and residents should have both annual and per bag options.

It is recommended this be included in the procurement for services (see XI. Next Procurement of Contract Services).

VIII. Garbage Service Levels

Existing Program

The contract with the St. Paul Haulers' Consortium requires each dwelling unit in each 1-4-unit dwelling structure to have at least one garbage cart. The contract does not allow cart sharing between units of a residential property or between consenting neighbors. The contract does not allow residents to opt-out from garbage services.

The City has two contract-compliant options for temporarily stopping garbage service, service holds or unoccupied dwelling registration, which may not be used to avoid paying for service if a residence is occupied.

Recommendations

The Garbage Advisory Committee extensively discussed the topic of cart sharing. The Committee discussed a range of recommendations. There was not consensus on specific cart sharing options, however a majority of the Committee did agree:

1. The common goals should be fair and equitable garbage service for everyone and flexibility to meet different needs with a range of options.
2. Cart sharing options should be addressed separately for single unit and multi-unit (2-4 units) buildings.
3. If cart sharing is allowed, right sizing for service needs should be the goal.

Public Works has the following recommendations related to service levels, including cart sharing, opting out of garbage service, and service holds.

A. Cart Sharing Recommendations

Public Works understands there is an overarching need to protect public health and safety through proper waste disposal and minimization of illegal dumping. It is also understood there are some persons who are very low generators of waste and current cart size/collection frequency is not appropriate.

Single Unit Properties

It is recommended adjacent residents of single-unit properties should be allowed to share garbage service under the following conditions:

- Residents live next door to or directly across an alley from each other.
- Both residents must fill out and sign the "Cart Sharing Application," and the City shall have sole discretion in approving or denying an application.
- One of the residents agrees to pay the "base rate" for collection services.
- The sharing properties, combined, shall have only the number of bulky items available to one non-sharing single dwelling unit property (see V. Bulky Item Services).
- The number and size of carts shall be appropriate to the waste generated in the sharing properties.
- The annual fee to apply for Cart Sharing shall be sufficient to cover the administrative and enforcement costs of the City.
- Placement of additional carts or revocation of cart sharing may be implemented by the City for cause. For example, if excess garbage is noted three out of five weeks a larger and/or additional cart may be required, with the appropriate additional cost added to the bill, or cart sharing may be terminated.
- If one of the "sharing" residents wishes to end sharing, moves, or the property becomes vacant, Cart Sharing will end and garbage service for each address will occur.

Multi-unit Properties

Multi-unit property cart sharing presents some challenges that single-unit adjacent cart sharing does not. Multi-unit properties may not have an on-site manager to monitor cart overflows or excessive garbage generation. Multi-unit building residents can turn over more frequently, contributing both to move-in/move-out wastes and differing generation rates than previous tenants.

It is recommended residents of multi- unit properties should be allowed to share garbage service under the following conditions:

- Only residents at a single multi-unit property of four or fewer dwelling units shall be eligible for cart sharing. There should be no sharing of carts between separate multi-unit buildings.
- The property shall pay the "base rate" for the collection services based on the number and size of carts. For example, a 4-unit with two 95-gallon carts would pay 2 base rates.
- Each unit of the property shall pay the "base rate" for collection services.

- The sharing units shall have only the number of bulky items available to the number of base rates being paid (see V. Bulky Item Services).
- There shall not be less than one small, every-week cart for each two residential units at a property.
- The annual fee to apply for Cart Sharing shall be sufficient to cover the administrative and enforcement costs of the City, recognizing the challenges of multi-unit property garbage issues.
- The property owner/taxpayer shall apply for cart sharing at the property.
- Revocation of cart sharing and/or placement of additional carts or may be invoked by the City for cause. For example, if excess garbage is noted three out of five weeks a larger and/or additional cart may be required, with the attendant additional cost added to the bill.
- If the property owner/taxpayer changes, Cart Sharing will end at that property until a new application is received, reviewed, and approved.

B. Opting Out of City Garbage Service Recommendations

The Garbage Advisory Committee also had extensive discussions regarding opting out of City garbage service. The Committee discussed a range of recommendations. There was not consensus on specific opt-out solutions. As with Cart Sharing, there was Committee agreement on:

1. There are common goals of fair and equitable garbage service for everyone and flexibility to meet different needs with a range of options.
2. Proper management and disposal of garbage is mandatory; illegal dumping in private dumpsters or public property shall not be encouraged or allowed.
3. Opt-out options should be addressed separately for single unit and multi-unit (2-4 units) buildings.
4. The City of Maplewood has a program to opt-out of garbage service through an application (with fee), subject to certain rules.

Public Works staff understands there are some persons who are very low generators of waste, and some who have other waste disposal options available to them. There is an overarching need to protect public health and safety through proper waste disposal and minimization of illegal dumping. Public Works has the following recommendation regarding Opting out of City garbage services:

- Residents of single-unit properties may apply to the City to opt out of City garbage service.
- The application must include the location of the alternate waste disposal (transfer station, employment which allows disposal), with supporting documentation the stated option is available and/or has been used in the past. Documentation could

include a signed letter from an employer allowing disposal, receipts from a licensed transfer station, etc.

- The annual fee to apply to opt out of City service shall be sufficient to cover the administrative and enforcement costs of the City.
- Residents who opt out of the program would not pay a base fee, would not have carts, and would not be eligible for bulky item or yard waste services.
- Any documented instance of illegal dumping or garbage-related nuisances forwarded by DSI, discovered by Public Works, or provided by a similar entity shall be immediate grounds to revoke the Opt-out status and require City garbage service.
- Public Works does not recommend opt-out for other than single-unit properties.

C. Service Holds Recommendations

Public Works recommends continuing the Temporary Service Hold and the Unoccupied Dwelling Unit Registration with all requests to be processed and approved or disapproved by the City.

The City has two options for temporarily stopping garbage service: Temporary Service Hold and an Unoccupied Dwelling Unit Registration. These may not be used to avoid paying for service if a residence is occupied.

Property owners that have a vacant unit can request Unoccupied Dwelling Registration to suspend service until the unit becomes occupied. Unoccupied Dwelling Registrations go into effect the first of the month after the month they are received by the City and are evaluated annually.

Temporary Service Holds can be used to suspend garbage service for a minimum of four weeks and cannot exceed 26 weeks. Examples for temporary service holds include extended vacations, temporary employment or education relocation, extended absence due to health reasons, or similar situations. Requests must be made two weeks prior to the hold start date. Residents may request up to two service holds per calendar year.

IX. Billing

Existing Program

The current billing system is inefficient and complicated (see Appendix C. Billing Deep Dive).

Haulers pre-bill residents, each using a unique billing system, at the beginning of each quarter for the next three months of service. At the end of each quarter, all unpaid bills and late fees incurred by the haulers are turned over to the City for assessment to the

property taxes. The City pays the haulers quarterly. The City receives the money from the assessments between one to three years later, depending on the taxpayer.

Recommendations

In agreement with the Garbage Advisory Committee, it is proposed that solid waste billing be performed by the City. A City provided bill/invoice will improve clarity and transparency for all services charged, be consistent for all customers, and provide more flexibility to the City for specific communication/messaging regarding program updates.

With respect to specific components of the bills, the Committee provided several options for the City to consider. It is the recommendation of Public Works that the Garbage Fee on the Property Tax be phased out in 2024, with all customer service, cart management, and garbage program costs to be recovered through the quarterly Solid Waste Bill. It is further recommended the Solid Waste Bill contain the following components:

- Base Fee (functions common to all customers).
- Disposal Fee (to vary with cart size/collection frequency).
- Additional Charges (Yard waste, extra bags, extra bulky items).

Public Works recommends "post" billing of services, instead of the "pre-billing" haulers currently use. Post billing was recommended by the Advisory Committee. Post billing is more easily understood by customers. Post billing removes the need to balance additional charges or credits to accounts if customers, for instance, change the size of their cart or add services mid-billing period. Because the City is proposing using the existing assessment process to bill customers, we do not have the concerns about recovering fees from customers after services are provided that private companies do.

A. Base Fee (what's included)

Public Works recommends the Base Fee include the following services which apply to all residents:

- Customer Service and Billing.
- Cart Service (placing, removing, repair and replacement of carts).
- Collection costs (personnel, trucks).
- Bulky item programs.
- Education/enforcement programs.
- City Overhead costs.

Residents who opt out of the program (see B. Opting Out of City Garbage Service Recommendations) would not pay a base fee, would not have garbage carts, and would not be eligible for bulky item or yard waste services.

Residents with shared services would pay one base fee and have a maximum of six (6) bulky items between the sharing entities per year. If yard waste services are desired, one cart would be shared, and any per-bag fees would be billed to the resident billed for the shared services.

B. Disposal Fee structure related to cart size/frequency of collection

Public Works recommends the per cart fee reflect the cost of disposal. Disposal is paid at the R&E Center by weight; the City will not have accurate information by cart by week to bill by weight. It is recommended the per-cart cost be closely related to the cart volume and frequency of collection. Public Works will randomly sample various sized carts throughout the year to confirm weight/volume correlations to be applied to the next year's billing.

X. Cart Management

Existing Program

The City owns the garbage carts. The City purchases all garbage carts and is contractually responsible for making sure the haulers have enough of each size cart and all needed replacement parts. Carts were initially delivered to resident addresses by the manufacturer and a data base of cart serial numbers and addresses was established.

Cart management is the responsibility of each hauler. The haulers are contractually required to provide carts as requested by residents, to receive and store carts, manage warranty issues, repair/replace damaged or lost carts, and provide the City with inventories. The cart manufacturer delivers carts to each hauler's designated yard. These yards are in Afton, Blaine, Hugo, Saint Paul, and Minneapolis.

Haulers are required to give the City current and accurate inventories of carts and parts and update the cart location database. This information has not been consistently provided, resulting in inconsistent garbage cart inventories and deliveries.

The City also owns the recycling carts. The current recycling collection contractor has the carts at their yard and has similar cart management responsibilities as the garbage haulers.

Recommendation

The garbage and recycling carts are expensive assets of the City. Public Works recommends the City perform cart management, including purchase, storage, deliveries to residents, inventory, warranty, and data management.

The inventory and location information for the recycling and garbage carts should be updated to provide current, accurate data. It is recommended this be done via a separate contract with the cart manufacturer, who has the original placement data for both garbage and recycling carts.

Public Works is coordinating with the Office of Financial Services (OFS), Real Estate, to finalize a location for cart management functions.

XI. Next Procurement of Contract Services

Existing Program

In 2017, the City negotiated with the existing licensed residential collectors in accordance with Minnesota Statutes, and a contract with St. Paul Haulers, LLC was executed for the provision of trash collection services.

Recommendation

The majority of the Garbage Advisory Committee supported an RFP process to select the next garbage contractor(s). There was consensus that haulers should compete for the City's garbage collection service. The majority opinion of the Committee was also to include a municipal collection option and/or make the City the hauler, and have a shorter contract than current one, for instance, three years.

The Haulers' Consortium has requested instead of an RFP process, that the existing contract be renegotiated. The Consortium has indicated it is receptive to the recommendations of the Advisory Committee with respect to collection services, billing, cart sharing, and opt-out provisions.

Public Works concurs with the recommendation of the Advisory Committee that an RFP process should be used to procure the next contract for solid waste services. The RFP should include a draft contract for services, expectations of service levels and enforcement provisions.

XII. Use of City Employees for a Portion of Services

Existing Program

The City has a limited number of employees performing solid waste services. Personnel from Street Maintenance collect trash and recycling from the public litter and recycling containers on Saint Paul Right of Ways (ROW). Street Maintenance collects and disposes of illegally dumped trash and large items in the City ROW.

Five (5) persons staff the garbage phone lines, taking calls from residents who are unable to obtain service from the haulers, enforcing provisions of the contract, preparing the Assessments for hauler delinquents account reimbursements, supporting education efforts and conducting special projects (see Appendix B. Organics/Food Scraps Deep Dive: City Programs).

The recycling program has two persons who share responsibilities to take calls from residents who are unable to obtain service from the recycling contractor, support

education efforts especially with multiunit properties, work with District Councils and conduct special projects (see Appendix B. Organics/Food Scraps Deep Dive: Ramsey County Programs).

Recommendations

It is the recommendation of Public Works that City employees perform the following functions in the next iteration of the City's solid waste program:

- All customer service functions for garbage and recycling, including taking calls, coordinating with garbage and recycling haulers, providing resident information and education.
- All contract enforcement and program management functions.
- All garbage and recycling cart service functions, including providing, removing, and repairing carts, monitoring inventory and warranty issues, enforcing cart placement and use rules.
- Ten percent (10%) of the garbage and yard waste collection services.
- Illegal dumping cleanup currently provided by Street Maintenance.
- Potentially collect ROW litter and recycling containers.

Current garbage program staff, with one additional FTE and one-half person from the recycling program are projected to be sufficient to handle customer calls, prepare billing for assessments, and initiate cart work orders with enhancements of the Zendesk system.

Five persons, four Solid Waste Workers and one supervisor, are projected to be sufficient to manage the garbage and recycling cart programs after carts are recovered from the garbage and recycling haulers and the placement and inventories are updated. Contract assistance is recommended for the cart recovery and update functions.

Nine persons, eight Solid Waste Workers and one Supervisor are projected to be needed for 10% of the citywide garbage and yard waste operations. These persons will also assist with rules enforcement and may assist with illegal dumping cleanups.

XIII. Funding of Program

Existing Program

The current program is not part of the General Fund and has several funding sources.

The City portion of the garbage program (contract management, education, limited customer service, etc.) is funded by the Garbage Annual Service Fee, which is a special assessment on the property taxes.

Services provided by the haulers are invoiced in advance of service to the residents and paid directly to the hauler.

If residents do not pay the hauler's invoice or do not pay the invoice on time the City pays the hauler the amount due from the resident. The City recovers the funds paid to the haulers through a specific Special Assessment on subsequent property taxes.

Recommendation

The Garbage Advisory Committee's majority recommendations included a desire for lower overall costs and more transparency in the Garbage Annual Service Fee. There were several options discussed by the Committee for recovering the costs of the garbage program.

Public Works recommends the Garbage Program remain an enterprise program (outside the General Fund). (See IX. Billing)

Public Works' estimates billing and customer service functions by the City will be equal to the $1.99 per customer per month currently included in customers' bills for these services. Decreases in the significant time spent auditing hauler requests for reimbursements and the number and complexity of Assessment enquiries will allow efficiencies in billing.

It is recommended that Fund Balance in the garbage and recycling programs be used to fund the required improvements in the joint garbage and recycling customer service system which will be coordinated by OTC. It is recommended that garbage fund balance and collaborations with Assessment as they upgrade their systems be used to fund needed billing system improvement, also in collaboration with OTC.

It is recommended that fund balances in the garbage and recycling programs and additional City financing be used to provide the trucks and facilities for the cart management program and that the operations cost of these programs be included in the monthly solid waste bills.

It is recommended that City financing, to be recovered through future solid waste bills, be used to fund the capital costs of the City-provided Solid Waste services.

XIV. Appendices

A. Bulky Item Deep Dive

The City is provided data only on the number of bulky items collected through the Contract provisions. The number of bulky items collected by service (cart) size is not known, neither is the number of bulky items collected for additional fees.

The bulky items collected, and the percentage used as a function of the total possible bulky pickups to be used are:

	Bulky Collected (Included)	Total Possible	% Used	Bulky Collected for an Additional Fee
2019	14,509	191,496	7.6%	1,143
2020	21,000	190,833	11%	1,864
2021	19,510	196,045	10%	2,293
2022 (Jan-Sept)	14,564	190,748	7.6%	1,013

Limited data is available on the number of illegal dumping cleanups performed by Public Works and the cost. Illegal dumping cleanups are also performed by the department of Safety and Inspections and the Park and Recreation department, Ramsey County and MNDOT on areas they are responsible for.

Requested Cleanups of Illegal Dumping By Saint Paul Public Works		
Year	Number of Requests	Dollars Spent*
2018		$447,122
2019	2,573	$445,937
2020	2,621	$513,850
2021	2,541	$703,734
2022 (January through April 15)	423	$218,325

- Dollars Spent are not corrected for inflation. For example, the Tipping Fee in 2018 was $65.00 per ton, the Tipping Fee in 2022 is $87.00 per ton, the Tipping Fee in 2023 will be $103.00 per ton.
- Dollars noted here are for MSW disposal (furniture, mattresses, large trash items). There are separate, additional costs related to appliances, electronics, tires and hazardous wastes

B. Organics/Food Scraps Deep Dive

Ramsey County Programs

Food scraps make up about 20% of trash collected in Ramsey and Washington counties by weight. The counties are developing a new way to recover this material so that it can be turned back into soil. Recovering food scraps from trash will provide health, environmental and economic benefits to the community.

The collection system chosen for the program is different from having a third cart or dumpster for household organics. This will be an opt-in, voluntary program. To participate, residents will sign up online or via phone to receive an annual supply of thick, compostable bags that will be shipped to their home at no charge. Folks will use these bags to collect food scraps. Once a bag is full, the bag is placed in the regular trash cart or dumpster, and trash will be collected as usual. The bags will be mechanically separated from the trash after collection so that materials can be composted. The system requires no additional carts or trucks. BPI Certified compostable products are also acceptable in this program. The R & E has chosen to focus promotion on food scraps to help new participants get acquainted with the program best management practices.

This new program is part of a larger system for managing food scraps and compostable materials. County food scraps drop-off sites will remain in operation, and some people may prefer to compost food scraps in their backyards. In Saint Paul there are three 24/7 Drop-off Sites and four Drop-off options with varying hours, at the County operated Yard Waste collection sites.

We have four (4) sites within Saint Paul that are enclosures with two (2) four (4) yard dumpsters inside and dispensers for compostable bags. These dumpsters are typically collected once per week depending on volume and participation. The City and District Councils partner with Ramsey County to establish and maintain safe access as well as educate the public about these drop off opportunities. Ramsey County constructs the enclosure, provides directional signage around the area and on site as well as administering hauler contracts and covering the cost of collection. The District Councils are considered Partner Entities and have committed to helping maintain the site (typically

through volunteers) by shoveling in and around the enclosure, replenishing supplies of compostable bags, and watching for illegally dumped items or graffiti, etc.

The Public Works Department is committed to working with the County, other City departments and community members to continue expanding the number of 24/7 drop off locations throughout the city.

City Programs

In 2021 the garbage program led a virtual six-week Food Waste Reduction Challenge with 145 households. Participating households reported an average decrease in food waste of 45%, and 100% reported an increase in knowledge of practices to prevent food waste. Program staff developed and implemented tools and resources to assist households in reducing their food waste. Each document has been translated into Hmong, Somali, Karen, Spanish, and Oromo as part of our strategy to increase accessibility for all residents of Saint Paul.

This past year the garbage program focused on backyard composting. Ninety residents attended one of the four Composting 101 workshops that were held in East Saint Paul and Frogtown neighborhoods and hosted in partnership with local community leaders. Following the workshop, attendees received support from program staff for four weeks and residents reported the amount of food being diverted, an average of 5 lbs. per household weekly.

C. Billing Deep Dive

The current billing system that reimburses the haulers for late or missing payments is inefficient and complicated. Initial invoicing is done by five separate haulers, all of whom have their own separate billing systems. Currently invoices are mailed to residents in advance of the service provided. The haulers charge residents $1.99 per month (approx. $887,940 program-wide annually) to process billing and respond to inquiries. Residents are sent an invoice by the hauler each quarter; if the resident fails to pay, they receive up to five additional notices. This includes: three notices of nonpayment sent from the hauler, as well as two additional assessment notices sent from, and paid for by, the City once the unpaid invoice becomes a pending assessment.

After each hauler sends their unpaid invoices to the City to be assessed at the end of each quarter, it takes at least 40 hours of staff time to review these lists and send a final combined list of unpaid invoices to the assessment office for processing. During this period residents receive a notice from the hauler that the balance was transferred to the City, however they are unable to pay the hauler or the City for the unpaid balance. Residents have reported that this inability to pay the hauler when the transfer notice is received has resulted in non-payment to the City.

Staff spend 6.5 minutes on each assessment call (3 times our normal call duration), the majority of which can be answered by simply explaining the complex billing process. Those that need additional follow-up require an inquiry to the hauler to collect billing records, a review of these records, and often additional follow-up with the resident and hauler. The average time to resolve an assessment inquiry is 6 days. Of those found to be in error, 55% are due to the hauler incorrectly billing.

An additional complexity with the current system is the method in which we calculate hauler payments based on assessment removals found to be the fault of the hauler during an assessment inquiry or legislative hearing.

Pre-Assessment Removal

Invoice and delinquent account lists are submitted to the City on the 5th of the month following the end of a billing cycle. The City reviews these lists for accuracy (duplicates, inaccurate address or PID, odd amounts) and sends inquiries to the individual haulers for clarification. Any assessments removed during this period are removed from the current quarter's invoice.

Post-Assessment Posting Removal

If a resident contests their assessment in the quarter it is applied we research the account via the Assessment Inquiry request process. If it is determined there was an error on the part of the hauler, or the hauler requests it, the assessment is removed from the next quarter's payment.

Legislative Hearing Removal

A resident can request a legislative hearing to contest the assessment. This is very delayed process. For example, unpaid bills from Quarter 2 (April to June) are assessed in the first month of Quarter 3 (July), the legislative hearing would take place in October (Q4). The resident can request a removal/review up until the public hearing which takes place approximately one month after the hearing dates, in this case that would be November. Any rulings to remove the assessments due to hauler error are removed from the following quarter, in this example that would be Q1 of the next year.

Levied Assessments

After the public hearing, assessments are considered levied and the resident can no long request a hearing. However, they can still request a review of the account. This is rare. If there is a hauler error found then a removal from the next payment occurs.

Each November all levied assessments are certified and are now payable to Ramsey County. The resident can no longer contest it and we no longer remove from future payments.

With City billing we would reduce the number of notices to two: the original invoice and notice of pending assessment and, if unpaid, the Public Hearing Notice of Ratification of Assessment. The cost of these mailings is included in the current programming budget so it would not require additional funding from taxpayers. With one-time enhancements to the existing system the City would reduce the need to process delinquent accounts reducing staff time by 64 hours annually. Currently 55% percent of assessments are applied in error are due to hauler errors; we believe having the billing done in house would reduce these errors as many of them result from the hauler not applying work orders submitted by the City or are due to incorrect billing. The ability to view the current invoice and billing history while in the call with a resident would eliminate the wait time (6 days on average) to resolution for the resident. Billing through the special tax assessment process would also reduce the need for late fees, which we are recommending be eliminated. In other areas of the City late fees have been shown to disproportionately impact residents living in areas with concentrated poverty. Currently, 5% of all assessments are for a single late fee of less than $6.00. The hauler invoicing and payment would also be simplified as we would pay them for services rendered at a flat rate; adjusted assessments would not impact hauler payment.