

Heintz, Polly (CI-StPaul)

From: Prince, Jane (CI-StPaul)
Sent: Wednesday, November 17, 2021 2:31 PM
To: Heintz, Polly (CI-StPaul)
Subject: FW: ORD 21-42 -- Rates for base level garbage service to be effective January 1, 2022 | #14

From: Young, Susan (CI-StPaul) <Susan.Young@ci.stpaul.mn.us>
Sent: Friday, November 12, 2021 4:10 PM
To: Prince, Jane (CI-StPaul) <Jane.Prince@ci.stpaul.mn.us>
Cc: Kershaw, Sean (CI-StPaul) <Sean.Kershaw@ci.stpaul.mn.us>; Harr, Stephanie (CI-StPaul) <Stephanie.Harr@ci.stpaul.mn.us>; Heintz, Polly (CI-StPaul) <polly.heintz@ci.stpaul.mn.us>; Welsh, Ian (CI-StPaul) <Ian.Welsh@ci.stpaul.mn.us>
Subject: RE: ORD 21-42 -- Rates for base level garbage service to be effective January 1, 2022

Council Member:

Thank you for forwarding Mr. Lien's garbage rate proposal and his rationale for the proposal to me.

There are many factors that determine the cost of services provided by the Haulers' Consortium. Most of those factors, including billing, cart service, collection personnel, vehicles, and fuel are not significantly dependent on the size of the cart or the weight of garbage in the cart. Of the \$14.35 monthly fee for small, every-other-week cart service, \$11.46 is attributable to these "fixed" costs which occur no matter how much garbage is generated by a customer.

Of the remaining costs, two items are "size-dependent." Disposal of bulky goods is billed at \$1.32 per month for small cart customers as opposed to \$1.99 for medium and large cart customers, because small carts may only dispose of two large items at no additional cost as opposed to three large items for medium and large carts customers. Disposal for Every-Other Week small cart service is billed at \$1.67 per month as opposed to \$9.20 per month for a large cart, reflecting the difference in garbage cart size and the potential difference in the amount (weight or volume) of garbage disposed of.

The rates I brought forward to Council were the result of a series of negotiations between the Consortium and the City. I heard the concerns of the Council during last year's rate discussion, and the difference between the disposal costs attributed to the various cart sizes are now more reflective of the volume possible in the cart sizes. If the Council wishes to further amend the rates from those proposed, even if the Consortium were to agree to those rates, the ordinance publication deadlines would mean delaying the implementation of the 2022 rates so that bills could not be sent by the Haulers on the January 4 date specified in the Agreement. This delay could result in legal challenges from the Consortium.

If the Council approves creation of the Garbage Legislative Advisory Committee, I expect that a rate structure to be part of their discussions and recommendations. This could provide a robust policy discussion which will consider not only the strict cost of disposal, but whether large garbage generators should subsidize smaller generators, and at what point a desire to limit costs would result in a resident having a too small cart that resulted in overflowing garbage or illegal dumping. There are many price models the Committee could review to inform this discussion. I am looking forward to the work of the Committee on this, and related garbage topics!

Again, thank you for bringing Mr. Lien's proposal to my attention. Please do not hesitate to contact me if you have additional questions, or I can be of further assistance.



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