



# City Council Report

**Date:** June 17, 2013  
**To:** City Council  
**Through:** John Pombier, Deputy City Manager  
**From:** Michael Comstock, Interim Solid Waste Director  
 Sheri Bradley, Senior Fiscal Analyst  
**Subject:** Private Hauler Permit Fee  
 Citywide

**Strategic Initiatives**



## Purpose and Recommendation

The intent of this report is to request approval of an increase to the fee for private solid waste haulers operating in the City of Mesa. The Solid Waste Department recommends that this fee be consistent with surrounding cities (see Table No. 1).

TABLE 1		
City	Base Fee	Per Truck Fee
Mesa	\$200	\$ 200
Chandler	\$300	\$1,000
Scottsdale	\$250	\$ 750
Glendale	\$0	\$1,000

However, the Solid Waste Department recommends an incremental increase to take place over a two-year period as shown in Table No. 2. The revenue collected from these fees contributes to the Solid Waste Department enterprise fund transfer of \$18.5 million to the general fund.

Table 2		
Current Fee	Year 1 Increase	Year 2 Increase
\$200 base & \$200 per truck	\$500 base & \$500 per truck	\$750 base & \$750 per truck

## **Background**

The City of Mesa Solid Waste Department, as well as the surrounding cities, currently charges a fee to private solid waste haulers that operate within their city limits. The fee consists of a base fee and a fee for each individual truck that will operate within the city limits. Currently, there are 25 haulers permitted who operate a total of 95 trucks within Mesa city limits. The Solid Waste Department researched the fees charged by surrounding cities. As shown in Table No. 1, the City of Mesa is charging less than the surrounding cities.

## **Discussion**

In order to bring our fees up to a rate comparable to surrounding cities, the Solid Waste Department is recommending an incremental increase to be phased in over a two-year period (see Table No. 2).

## **Alternatives**

If a fee increase is not approved, the Solid Waste Department will continue to charge private haulers based on their current fee structure. This will result in a loss of potential additional revenue of \$36,000 the first year and \$66,000 in the second year.

## **Fiscal Impact**

The cost to implement the fee increase is \$0. Charging for private solid waste haulers is already part of our operation.

Solid Waste currently collects a total of \$24,000 annually for these fees. Increasing the fee in FY 13/14 to a \$500 base fee and a \$500 per truck fee the first year will increase our revenue by \$36,000 for a total annual revenue of \$60,000. Increasing the fee in FY 14/15 to a \$750 base fee and a \$750 per truck fee in the second year will increase our revenue by \$30,000 for a total annual revenue of \$90,000.

## **Coordinated With**

The Solid Waste Department has coordinated with the Office of Management and Budget.