

RESIDENTIAL SOLID WASTE FUND

The Residential Solid Waste Fund was established in 1981, after the Village Board decided to contract with one hauler for single scavenger service for the entire community, in place of each property owner making their separate refuse collection arrangements with different refuse collectors. It identifies the cost of providing once-a-week solid waste collection and disposal services to the approximately 7,200 single family residences in Glen Ellyn (The Village refuse contract does not include commercial or multi-family housing units). The Solid Waste Fund is a stand-alone enterprise fund which means that adequate revenues must be produced through direct billings to users (included as a separate service charge on the monthly Village utility bill) and through other revenues, such as the sale of recyclable materials, to cover the cost of this service. No tax dollars are used or required to help pay for the expenses of this program.

Following a request for proposal process and review by staff and the Environmental Commission, the Village Board approved a 5-year service contract to Allied Waste Services (AWS), formerly BFI, beginning August 1, 2005. The agreement introduced the use of wheeled refuse carts (purchased by the Village) and, along with competitive bidding, resulted in a 17% decrease in the base rate (35 gallon container) to customers compared to the previous contract. The contract with AWS calls for an annual rate adjustment based on the Consumer Price Index. More recently, the Village and AWS extended the five-year contract for an additional two years of service, through July 31, 2012. The extended contract introduced the use of wheeled recycling carts (also purchased by the Village) and ensured continuation of many refuse and recycling services that residents have come to enjoy with AWS such as a one day collection (Monday) and the biennial "clean sweep" unlimited no-sticker event.

The Village Manager's Office is primarily responsible for the oversight of this Fund, while the billing and collection function is handled through the Finance Department. This Fund also handles the financing for the once-a-month parkway, no-sticker, brush and branch removal program during May through October (in addition and separate from the stickered weekly yard waste collection by AWS). The Residential Solid Waste Fund covers some of the activities of the Environmental Commission, an advisory body to the Village Board. The Environmental Commission provides advice to the Village regarding issues such as refuse collection and environmental preservation, as well as assisting with certain activities, such as recycling events and the annual Prairie Path clean-up.

Plans in process for the 2010 "spring cleanup" activities include:

- a. **April 5, 2010** – Seasonal start of stickered weekly yard waste collection through November by Allied Waste Services.
- b. **April 24, 2010** – Recycling Extravaganza at the Duane/Lorraine commuter parking lot, just west of the Glen Ellyn Library, and the Annual Prairie Path cleanup event.
- c. **April 26, 2010** – Unlimited Refuse Collection – "Clean Sweep"
- d. **Mid-May, 2010** – Beginning of unlimited, no-sticker, monthly parkway brush and branch collection, May - October, 2010.

In the past, the Village received significant rebates received from our contract waste hauler through the resale of recyclable materials as stipulated in our solid waste contract. These rebates provided the Solid Waste Fund the ability to absorb contractual cost increases without passing these increases along to Village residents. They had also helped to accumulate reserves in the Fund over a number of years. These additional revenues and related reserve balances permitted the Village the ability to launch a wheeled refuse cart program in FY05/06 and a similar recycling cart program in FY09/10 without additional cost to customers. During the past five (5) fiscal years from FY03/04 to FY08/09, the Village received nearly \$700,000 in recycling rebates, more than \$610,000 of which has been applied toward the purchase of refuse and recycling carts. Remaining rebates have been used to buffer increases in customer rates despite contractual increases in our waste hauling costs.

Unfortunately, in December 2008, our recycling rebates abruptly came to a halt, following a collapse in the market for recyclable materials. As a result of this, a 5% customer rate increase was implemented August 1, 2009 to partially close the gap between our cost of providing services at the current level and revenues received from customer billings. In order to further close this gap, a 2 year phased-in rate increase is proposed including additional increases of 5% on August 1, 2010 and 2011, after which time our waste hauling contract will expire and be subject once again to a competitive selection process.

Although the FY10/11 Solid Waste Fund budget includes a recommended 5% rate adjustment, it still includes the use of cash reserves to meet current program costs which cannot be sustained in the long term. Any additional services, including possible leaf collection by an external vendor, would require additional rate adjustments.