



CITY OF CONCORD

REPORT TO MAYOR AND THE CITY COUNCIL

FROM: Earle M. Chesley, P.E., General Services Director
DATE: April 20, 2015
SUBJECT: Pay As You Throw Semi-Annual Status Report

Recommendation

Accept this report relative to solid waste and recycling collection and disposal operations with Pay-As-You-Throw (PAYT).

Background

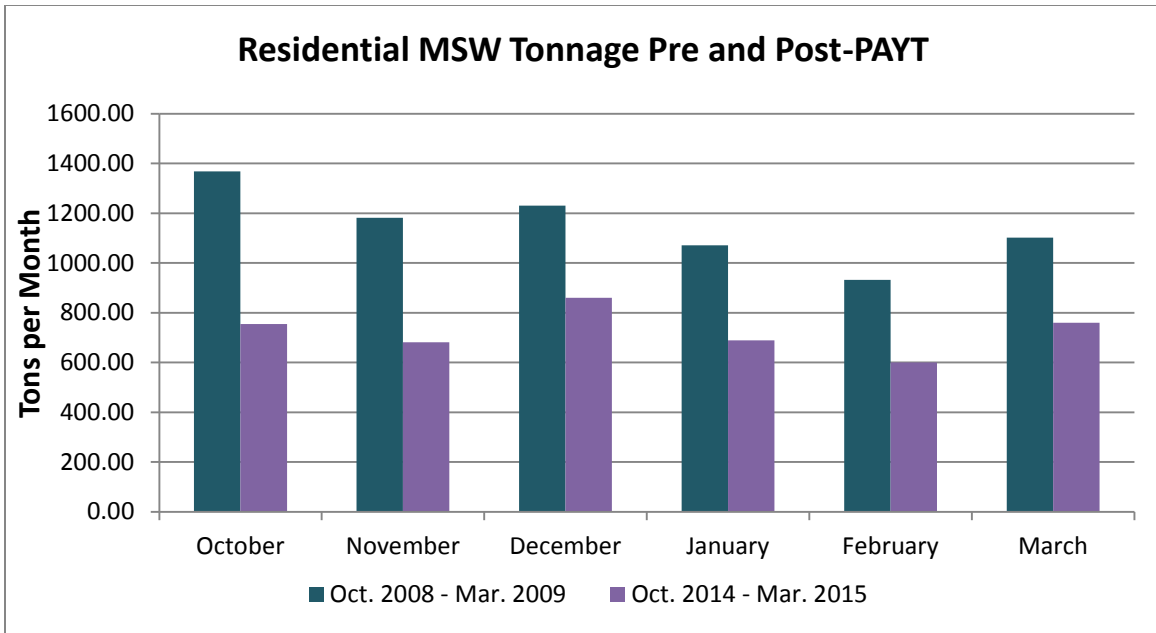
July 1st, 2014 marked the five-year anniversary of the City's Pay-As-You-Throw user fee system designed to help support increasing solid waste collection and disposal costs. Residents who receive curbside collection service (approximately 75% of Concord's households) are required to place their trash in City-authorized trash bags that are purchased at local retailers. Similarly, residents in multifamily properties manage their solid waste in large containers that are invoiced monthly based on the number, size, and collection frequency. In all cases, recyclables have been collected at no cost to the resident since the beginning of Pay-As-You-Throw.

Discussion

Residential Solid Waste Volumes

Residential Solid Waste tonnage in the six month period October 1st, 2014 through March 31st, 2015 represents a 37% decline from the same six month period, (October 1st, 2008 through March 31st, 2009), prior to the implementation of PAYT. Modest increases in volumes have been seen in recent years as can be expected with an improving economy.

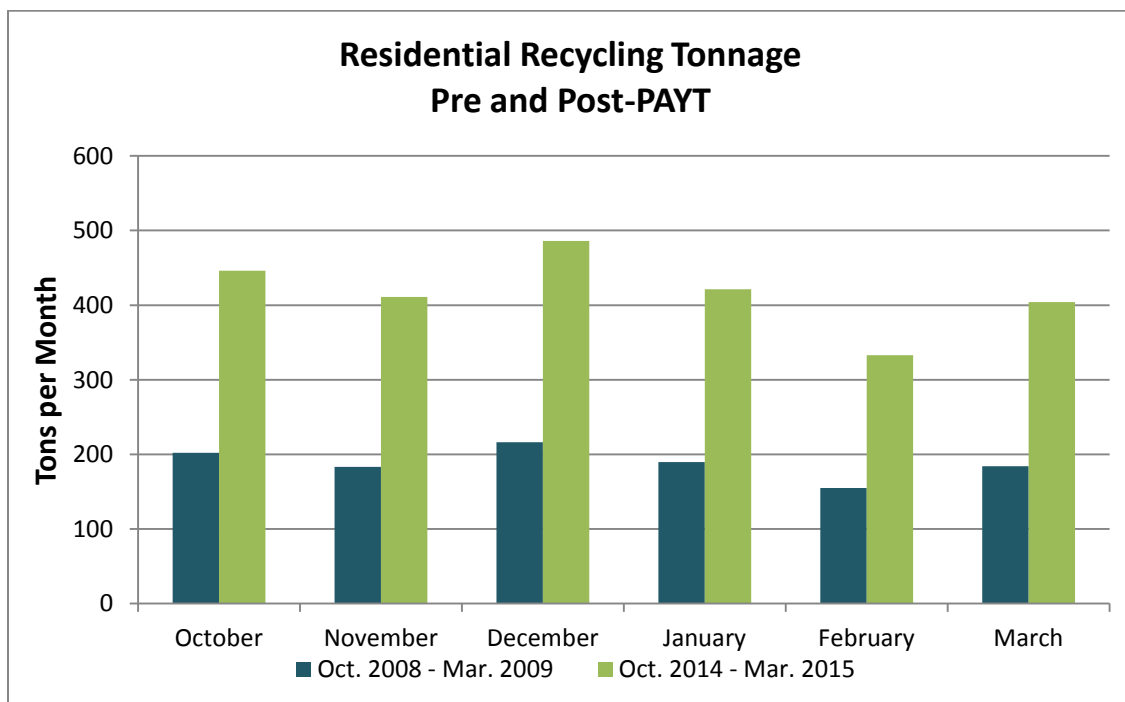
Below is a chart comparing residential solid waste volumes in the six month period October 1st 2014 through March 31st 2015 with that of the same six month period prior to the establishment of PAYT.



Residential Recycling Volumes

As expected, the volume of recyclables collected and diverted from the waste stream increased as a result of the Pay-As-You-Throw program. With recyclables collected free of charge from residents, there is a financial incentive for residents to recycle materials that would otherwise take up space in the PAYT bag or container. The General Services Department remains focused on getting the word out on recycling to residents to further drive up these volumes.

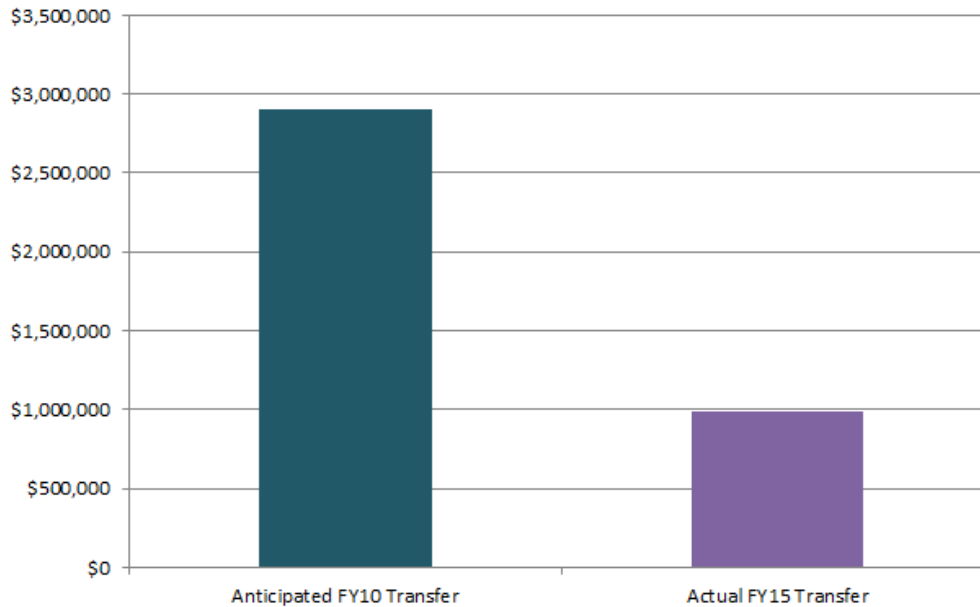
Below is a chart comparing recycling tonnage in the six month period October 1st 2014 through March 31st 2015 with the same six month period prior to PAYT implementation.



Financial Performance

When Pay-As-You-Throw was adopted by the Mayor and City Council in June, 2009, it was projected that the General Fund would need to increase its transfer of funds to the Solid Waste Fund to approximately \$2.9 million. Since that time, the General Fund has been able to reduce its transfer to \$991,930, a decrease of over 65%. Pay-As-You-Throw has significantly reduced the financial demand upon the General Fund by almost \$2 million annually while providing recycling services to every Concord home.

General Fund Transfers to the Solid Waste Fund



That said, revenues collected through Pay-As-You-Throw are currently less than the cost of residential solid waste collection and disposal costs provided by the City through its vendors. As demonstrated in the FY 2015 Solid Waste Pro Forma, projected revenues generated through solid waste collection and disposal is approximately 91% of anticipated expenditures. The pro forma indicates this percentage will decline as currently projected solid waste collection and disposal costs increase in the future, General Services staff has reviewed this matter with the Solid Waste Advisory Committee and is assessing options to address this trend.