City Council of Peachtree City

WORKSHOP

August 12, 2008

6:30 p.m.

The Mayor and City Council of Peachtree City will hold a workshop on Tuesday, August 12, 2008, 6:30 p.m., in Council Chambers. The purpose of the workshop is to discuss the proposed residential sanitation and recycling franchise and to discuss the consultant's report on City-wide impact fees.

This agenda is subject to change at any time up to 24-hours prior to the scheduled meeting.

CITY OF PEACHTREE CITY

INTEROFFICE MEMORANDUM

TO: **Mayor & Council Members**

VIA: **Bernard McMullen, City Manager**
Colin Halterman, Assistant City Manager
Paul Salvatore, Financial Services Director P.S.
Janet Camburn, Assistant Finance Director JC
Tom Corbett, Public Services Director
Betsy Tyler, Acting Administrative Services Director/City Clerk

FROM: **Angela Egan, Purchasing Agent**

DATE: **August 8, 2008**

SUBJECT: **Consent Regarding Refuse Requirements**
August 12, 2008 City Council Workshop

Recommendation: That the Mayor and Council provide direction to staff on whether to pursue:

- An exclusive franchise collection system for residential trash, recyclables and yard waste.
- Changes to the City ordinance to make residential trash, recycling and yard waste collection mandatory.
- Outsourcing management of the City's Recycle Center to either the firm awarded the franchise or a second firm interested exclusively in managing the City's recycle center.

And direct staff to complete the RFP process for these services.

Discussion: In 1995, Peachtree City adopted the Solid Waste Management ordinance to comply with the Georgia Comprehensive Solid Waste Management Act (**Exhibit A**).

FCCSWMP (**Exhibit B**) outlines the State policies on Solid Waste Management, which include efforts "to educate and encourage generators and handlers of solid waste to reduce and minimize to the greatest extent possible the amount of solid waste which requires collection, treatment, or disposal through source reduction, reuse, composting, recycling" and "to reduce on a state-wide per capita basis the amount of municipal solid waste being received at disposal facilities."

Toward this end, Fayette County developed a county-wide Comprehensive Solid Waste Management Plan (FCCSWMP). The City Council adopted the most recent update (2008-2017) in June, 2007. (**Exhibit B**) (**Exhibit C**)

Peachtree City Code Section 42-83 (**Exhibit A**) identifies the role of the City in this process, which is to "encourage solid waste management practices which will result in reduced quantities of wastes requiring disposal in landfills. Such practices as composting and recycling are acknowledged to be effective ways of diverting solid wastes from landfills."

Section 42-83 also states, "Private businesses which operate in the city and provide solid waste collection and disposal services shall comply with the following minimum requirements – which include: Offer recycling services in accordance with current market conditions."

The FCCSWMP echoes this goal, striving to "facilitate and encourage integrated, comprehensive solid waste management planning at the local, multi-jurisdictional and regional levels," and Fayette County is anticipating attaining a 25% reduction in total waste stream tonnage.

There are currently three Peachtree City projects listed on the FCCSWMP as either postponed or not accomplished. The first is, "Develop recycling and yard waste facility in Peachtree City." The second and third are, "Consider a franchise agreement for the collection of residential solid waste and recyclable materials in the City of Peachtree City," and, "Determine feasibility of volume based rate structure for residential service as part of franchise agreement in the City of Peachtree City."

Within this context, City Staff has been working to develop a Request for Proposal (RFP) for a franchise to provide residential waste service and curbside recycling service.

In addition to reducing solid waste in the city, staff's goals have been to:

- Reduce citizen costs through the savings a franchisee would recognize by providing service city-wide
- Reduce the number of trucks on city streets, which cause both wear on the streets and increase traffic hazards in neighborhoods
- Reduce the amount of litter on roadways from garbage trucks by having a single identifiable source for that litter
- Increase customer service levels by providing for penalties to the single provider for failure to provide acceptable levels of service
- Reduce potential for litter from illegal dumping by residents who do not have waste services.
- An additional hope was to obtain an outside agency to operate the City's recycling Center, providing an increased range of services at a savings to residents

During the past several months, staff has spent significant time meeting with waste haulers and refining the RFP. Several lessons learned include:

- A Franchise will only be effective if it is with a single provider and participation is mandatory – currently a single provider has about 70% of the City's single-family residential customers, and they are unable to cost-effectively provide some of the services we are seeking.
- Allowing customers to opt out or designating multiple "preferred providers" eliminates the opportunity for savings, reduces the services the vendor can provide, returns multiple

trucks to the streets and eliminates the City and vendor's ability to monitor who has service and ensure payment. Contractors are unwilling to assume the billing and collection responsibilities with no means of enforcement – their experience indicates up to a 25% non-payment rate in other areas.

- Recycling must be mandatory to work - Those providers currently able to offer recycling in Peachtree City only see about a 5%-10% participation rate. (As provided by CLM.) If recycling were mandatory and the costs were included in the standard rate, the City would realize significant waste reduction. Fayetteville has mandatory recycling collection with 35% - 40% participation reducing the waste stream by about 10%.

- The City will need to adopt an ordinance enforcing participation and payment. Language in the current ordinance does not require haulers to provide recycling nor does it specify penalties for non-payment. During discussions, staff and contractors evaluated options that included the City performing billing services to ensure payment. However, conversations with the City Attorney indicated that if service is a requirement, and the provider discontinues service for non-payment, the issue can be prosecuted through Municipal Court. (**Exhibits D & E**) The ordinance would require participation and make having waste service mandatory. If a customer does not pay, the Contractor would discontinue service and notify the City, which could then cite the customer for failure to have/maintain waste service. This is one of the primary reasons that an opt out provision or preferred provider arrangement will not work.

Budget Impact:

Depending on the final agreement with the provider, this item could save the City approximately $25,000 annually for waste services for City dumpsters. (**Exhibit F**) Reducing the number of garbage trucks on the street, which can reduce a streets' life span by as much as 25%, will result in long term savings. For example, the City spent approximately $3,500,000 in FY 07 and FY08 – 25% is $700,000. (**Exhibit H**) Potentially the City could save the future value of $700,000 when time to resurface those streets.

Regarding the current Recycle Center management, the City could potentially save the cost for staffing and operating, which for FY08 is estimated at $61,618. (**Exhibit G**)

Staff is asking for direction from Council on whether to continue pursuit of a single franchise provider for this service.

Exhibits:

Exhibit A – City Ordinance
Exhibit B - Fayette County Comprehensive Solid Waste Management Plan 2008-2017
Exhibit C – June 21, 2007 City Council Meeting minutes
Exhibit D – Attorney's comments 1
Exhibit E – Attorney's comments 2
Exhibit F – Fiscal year 2008 – funds for City dumpster

Exhibit G – Fiscal year 2008 – Projected Recycle Center Expenses
Exhibit H – Garbage Trucks Asphalt Surfaces

<u>Other exhibits are attached that may be pertinent to our discussion.</u>
Exhibit I – Recycling Facts
Exhibit J – Brief history of Refuse in Peachtree City
Exhibit K – Current suppliers and residents
Exhibit L - March 6, 2008 Council meeting memo
Exhibit M – March 6, 2008 Council meeting minutes
Exhibit N - November 1, 2007 Council meeting memo (including survey results)
Exhibit O - January 19, 2006 Council meeting minutes
Exhibit P – Allied Republic Merger Press Release
Exhibit Q – O.C.G.A. (GA code ann.) 12.8.50 et seq.
Exhibit R – Collection Examples
Exhibit S – Comments from Waste vendors
Exhibit T - Griffin Recycling Notes from KPTCB

CITY OF PEACHTREE CITY

INTEROFFICE MEMORANDUM

TO: **Mayor & Council Members**

VIA: **City Manager** BJM / [illegible]
Financial Services Director [illegible]

FROM: **City Planner/ Zoning Administrator** David

DATE: **August 8, 2008**

SUBJECT: **Presentation of Impact Fee Methodology Report**
August 12, 2008 City Council workshop

At their meeting on January 21, City Council authorized the Mayor to enter into a contract with ROSS+associates regarding the preparation of an amendment to the Capital Improvements Element (CIE) and update to the city's impact fee program.

City Staff, including representatives from Planning, Engineering, Finance, Fire, Police and Leisure Services have been working with our consultant to identify capital projects and/ or equipment that have been completed, are programmed and those that are proposed. This information, as well as population and growth projections, have been incorporated into the attached Impact Fee Methodology Report. This document presents the methodologies used to determine new development's fair share of the investment in fire, police, parks and recreation, and libraries.

The document has been prepared in accordance with the Georgia Development Impact Fee Act (DIFA) and "represents a recalculation, though not a direct continuation, of the current Peachtree City impact fee program, which began in 1993."

Staff and our consultant will be present at Tuesday's workshop to present the report as well as to answer questions.