

Village of Oak Park
Department of Public Works
Administration
MEMORANDUM

October 18, 2019

TO: Cara Pavlicek, Village Manager

FROM: John P. Wielebnicki, Public Works Director 

CC: Steve Drazner, Chief Financial Officer
 Cameron Hendricks, Environmental Services Manager

RE: FY2020 Proposed Refuse Rates

Please find below an overview of the proposed FY2020 Refuse Rates and Ordinance changes:

	<u>2019 rate/mo.</u>	<u>2020 rate/mo.</u>	<u>Proposed % increase</u>
96 gal trash cart	\$27.51	\$28.35	3.05%
64 gal trash cart	\$25.00	\$25.75	3.00%
Compost Cart	\$14.85	\$15.30	3.03%
Yard Waste Stickers	\$3.00	\$3.10	3.33%
Refuse Stickers	\$3.00	\$3.10	3.33%

The monthly refuse rate includes charges for:

1. Refuse Collection
2. Disposal Cost (a separate cost from Waste Management's fees)
3. Villages Administrative costs
4. Leaf Collection program
5. Alley improvement fee

Village Cost - 2020		96-GALLON	64-GALLON
Refuse Collection (2.5% increase)		\$ 15.12	\$ 15.12
Disposal Cost (($\$540,000/12$)/968,832gals)= \$0.0456 per gallon		\$ 4.46	\$ 2.97
Admin Fee:(Budget)-Contract costs-Leaf budget-alley transf)/(12)/(11609)		\$ 3.23	\$ 3.23
Leaf p/u (Budget: ($\$330475/12$)/11609)		\$ 2.37	\$ 2.37
Alley Improvement Fee (\$2.50)		\$ 2.50	\$ 2.50
Compost: \$15.53 per month			
Actual 2020 Village cost		\$ 27.68	\$ 26.20
Actual 2020 cost compared to Actual 2019 cost	% Change	5.01%	4.64%
Actual 2019 Village Cost		\$ 26.36	\$ 24.98

1. The FY2020 rates for Waste Management's waste hauling services increased by 2.5% per contract. See attached notice.
2. Refuse cart rates for the 96 gallon trash cart are proposed to increase 3.05% to \$28.35/month to keep up with Waste Management's fees and Village administrative costs. The fee charged to residents covers the cost for this service.
3. Refuse rates for the 64 gallon trash cart are proposed to increase 3.00% to \$25.75/month. The proposed increase will not cover the Villages cost of \$26.20 for the service. The Village would subsidize the 64 gallon trash service by \$0.45 or 1.75% per cart per month. For perspective, 2019 was the first year since offering the 64 gallon trash cart option where the user fee covered the cost of service. A comprehensive audit of trash carts on properties versus what is billed has not been conducted in several years. A preliminary audit has determined that the number of carts per contract and actual carts differs resulting in fluctuations in the Villages actual costs. Based on 2020 numbers the subsidy equates to \$2,038.
4. The Compost cart rate is proposed to increase by 3.03% to \$15.30/month. To incentivize participation in the compost program it is recommended to keep the same incentive which provides the "first three months free" for first time users when agreeing to 12 months of service. The FY2020 fee charged by Waste Management is \$15.53/month. The Village would subsidize compost participants by \$0.23 or 1.5% per unit per month. Through nine months of 2019, 269 new users have signed up. Based on an estimated 300 new compost participants for 2020, a subsidy of approximately \$6,053 would be provided. Additionally, the estimated incentive for FY2020 would total \$13,770.
5. Both Yard Waste and Refuse stickers are proposed to increase by 3.33% to \$3.10 per sticker. This rate is suggested to encourage the participation in the Composting program. Approximately 35,000 yard waste and 30,000 refuse stickers are sold annually.

	Yard Waste Sticker	Refuse Sticker
Refuse Collection (2.5% increase)	\$2.69	\$1.50
Disposal Cost		\$1.53
Actual 2019 Village cost	\$2.69	\$3.03

6. Ordinance change (20-7-2A): The weight limit for refuse cart collection was adjusted from 200lbs to 50lbs. The adjustment reflects the refuse cart weight limit outlined in the Waste Management contract.
7. Ordinance change (20-7-2E): The alley improvement fee for additional carts was increased from \$1.25 to \$2.50. The increase allows for the price of additional carts to mirror the cost of the first cart. Additional cart costs can be calculated easily by simple multiple the cost of a single cart by the number of carts provided.



Think Green.

WASTE MANAGEMENT
700 E Butterfield Rd, Suite 400
Lombard, IL 60148
800-796-9696

August 19, 2019

Ms. Cara Pavlicek, Village Manager
Village of Oak Park
123 Madison Street
Oak Park, Illinois 60302

Dear Ms. Pavlicek,

The purpose of this letter is to notify the Village of Oak Park that pursuant to the Solid Waste Services Agreement between the Village of Oak Park and Waste Management, an annual rate adjustment of 2.5% is scheduled for January 1, 2020. The following new rates are effective January 1, 2020:

Curb Service	\$15.12 per unit per month
Backdoor Service	\$16.70 per unit per month (in addition to Curb Service rate)
Bulk Item/White Good Sticker	\$1.50 per sticker
Special Pickup	\$18.21 collection & \$5.39 per cubic yard disposal
Yard Waste Sticker	\$2.69 per sticker
Special Landscape Waste Pickup	\$21.54 per cubic yard
Leaf Collection Cost	\$217,775.00 per year
Organics Service	\$15.53 per month
Emergency Requests for Public Service	\$134.61 per hour
Street Sweeper Disposal	\$204.61 per pull

A 2.5% adjustment will also be made to the institutional price sheets.

Please let me know if you have any questions, my number is 847.980.7648.

Sincerely,

Vaughn Kuerschner
Waste Management Public Sector Rep

cc: John Wielebnicki
Cameron Hendricks