



Agenda Item Summary

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Agenda Item Title

Retail Single-Use Bag Program Update

Overview

On January 1, 2018, the Village Board adopted a 10 cent fee for every single-use bag provided by merchants in retail stores greater than 5,000 sf. Staff will report on the first month of program.

Anticipated Future Actions/Commitments

Ongoing review the impacts of the Retail Single-Use Bag Program is recommended determine its effectiveness.

Report

On August 7, 2017, the Village Board amended Chapter 20, Article 14 of the Municipal Code and established a mandatory fee of 10 cents on every single-use bags (paper and plastic) provided to customers in retail establishments greater than 5,000 sf.

The ordinance was based upon the recommendation of the Environment and Energy Commission which determined that the production, use, and disposal of disposable plastic shopping bags had significant adverse impacts on the environment and that other communities were successful in decreasing the use of disposable plastic and paper shopping bags with mandatory fees on single-use bags.

The fee became effective January 1, 2019 and a list of each participating retail store is attached. The retailer is required to collect the 10 cent fee when the customer makes any payment for goods in person, through the Internet, by telephone, by facsimile, or by any other means. The participating store hold the fees required to be collected under the Municipal Code prior to remitting to the Village five (5) cents from each ten (10) cent fee monthly. The store retains the remaining five (5) cents from each ten (10) cent fee.

For January 2018, a total of \$10,204 was remitted to the Village by 15 of the 20 participating retailers. Staff is following up on remittance for the five retailers that have not correctly remitted fees in accordance with Chapter 20, Article 14.

Chapter 20, Article 14-3 (F) requires the remitted funds to be deposited into the Sustainability Fund of the Village.

The adopted FY18 Sustainability Fund includes \$30,000 in revenue from the Retail Single-Use Bag Program. While the first month remittance indicate FY18 revenue will like exceed the budgeted amount, staff notes that

most communities experience declining revenue from mandatory fees and customers increase use of reusable bags to avoid paying the retail single-use bag fee.

The FY18 Sustainability Fund budget appropriates funds for the purchase of signage and reusable bags to support the retailers participating in the program. Through February 28, these expenditures have totaled \$6,582. Staff anticipates additional expenses will be incurred in support of the upcoming Farmers Market season.

As part of the FY19 budget process, staff will prepare amended revenue projection for the retail single-use bags. At this time, staff would recommend that revenue in excess of the budget support the reduction of the interfund transfer from the Environment Service Fund which currently provides \$150,000 in revenue to support Sustainability. Reducing the Environmental Service Fund transfer supports garbage collection fee maintenance.

Alternatives

As the program is new, staff does not recommend any changes at this time