

# **Solid Waste, Stormwater & Wastewater User Fees**

**City Council  
February 27, 2019**

# Solid Waste Fund

# Guiding Principles

- Solid Waste Operations should be financially self supporting
- Solid Waste fees should be kept as low as possible by continuing to operate in an efficient manner
- Solid Waste should take advantage of technology in order to provide Smart City applications

# Solid Waste Services



# Solid Waste Primary Services

- Weekly household refuse collection: 40,000 tons/year
  - Special service for disabled residents (758 customers)
- Weekly collection of bulk trash: 68,000 tons/year
- Disposal of refuse
  - Most burned for steam to power NASA
  - Bulk items to landfill
- Weekly collection of yard waste: 10,000 tons/year
  - Taken to regional agency for use as mulch
- Bi-weekly collection of recyclables: 6,000 tons/year
  - Re-use of materials through vendor

# Solid Waste Additional Services

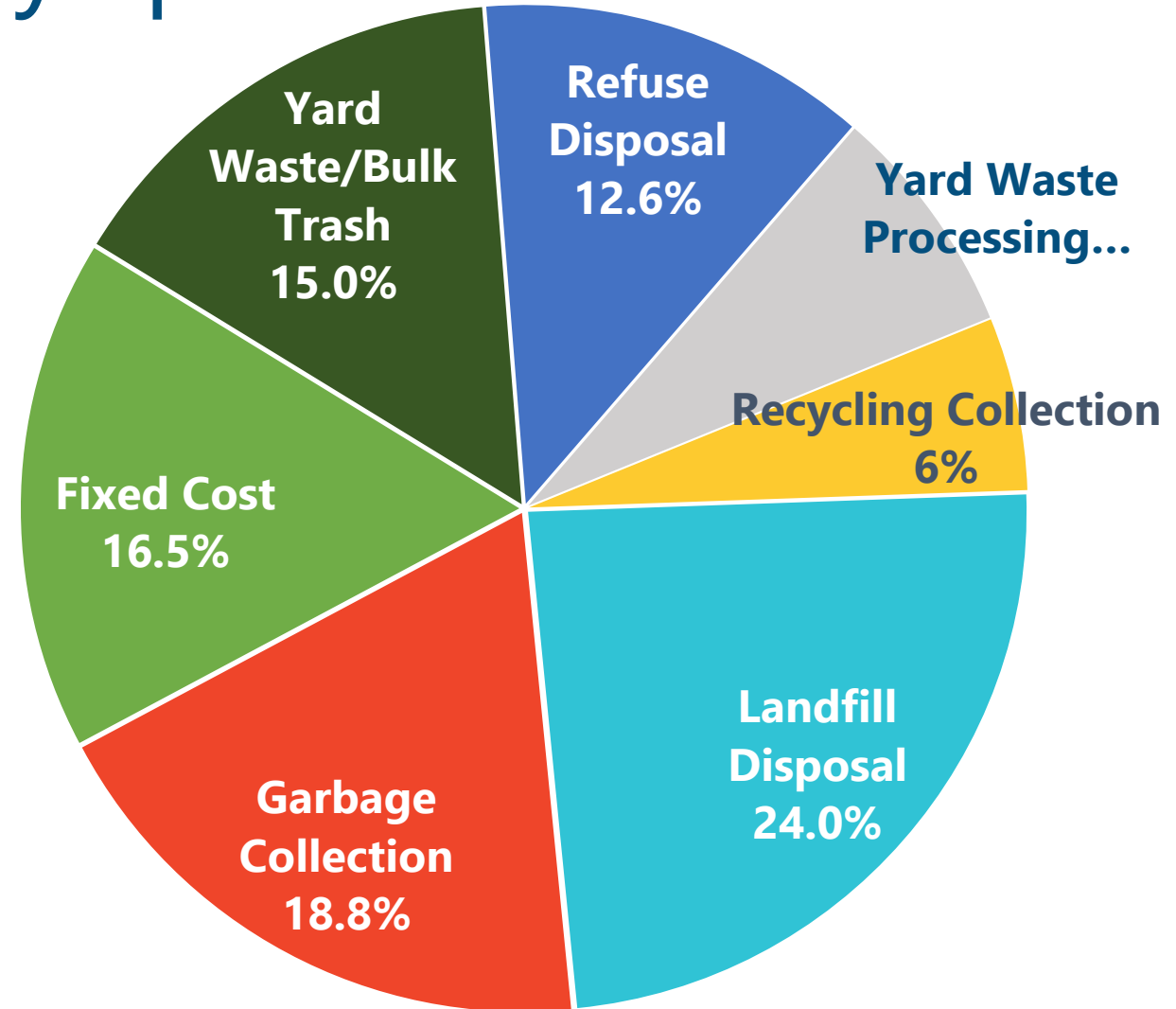
- Collect and dispose of tires
- Repair and deliver refuse and recycling bins
- Enforce illegal dumping rules
  - Pick up illegally dumped materials and bill as needed
- Plow streets during/after snow
- Storm response and recovery (hurricane, tornado, thunderstorm)
- Bulk collections for:
  - Hampton Coliseum, Hampton City Schools, special events such as Hampton Clean City Commission cleanups, Neighborhood “blitz” collections, etc.
- Educating community and neighborhood groups
- Printing and mailing collection calendars

# Changes Impacting the FY20 Budget

- Increased cost to collect and dispose of refuse.
- Most household waste is burned for steam and sold. Energy prices have fallen, forcing a decrease in pricing for our steam.
- Increased cost to collect and dispose of recyclable materials, caused by worldwide oversupply and contamination of many materials.
- Need to invest in technology for more efficient operations and addressing customer service needs.

# How is the money spent?

- FY20 Projected Operations & Maintenance Budget: \$13.2 million





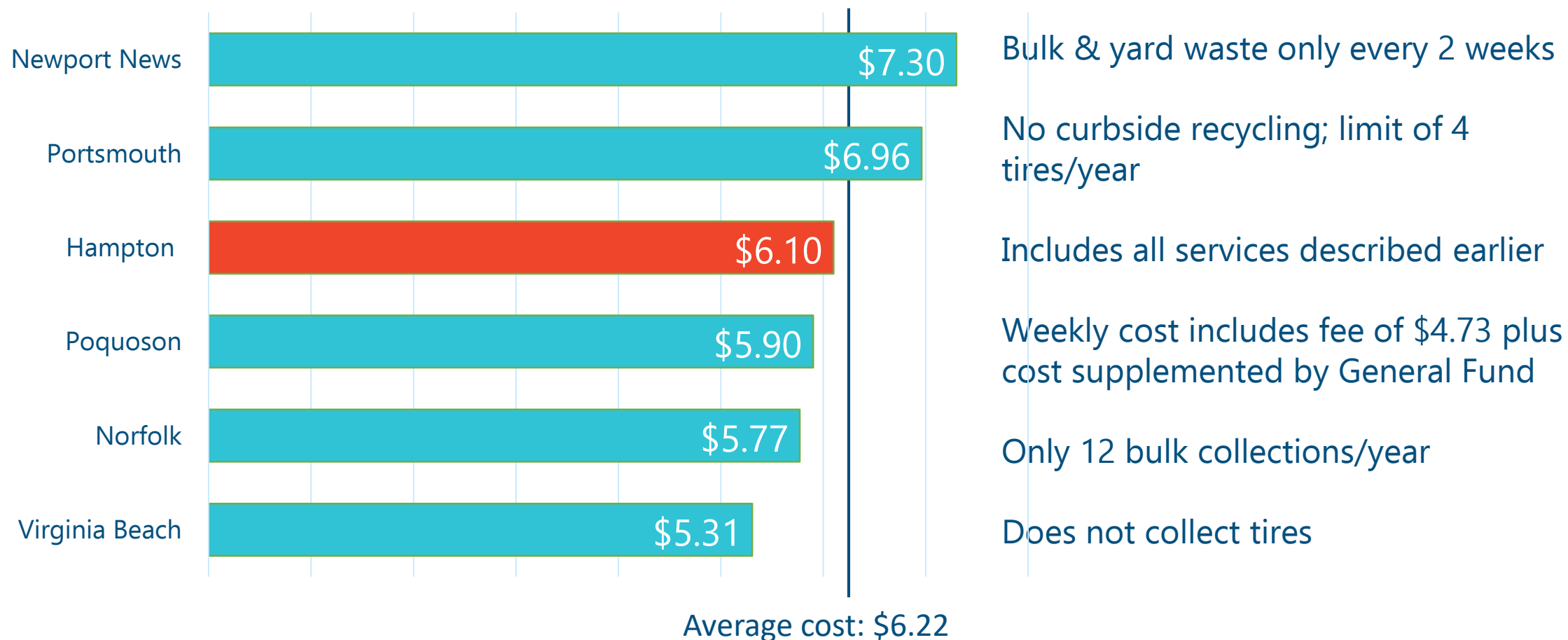
# Current rates will not cover expenses

	FY20	FY21	FY22	FY23	FY24
	Millions				
<b>Operating Costs</b>	\$13.2	\$13.6	\$13.9	\$14.3	\$14.6
<b>Capital Costs</b>	\$2.4	\$2.4	\$2.5	\$2.5	\$2.0
<b>Expenses</b>	<b>\$15.6</b>	<b>\$16.0</b>	<b>\$16.4</b>	<b>\$16.8</b>	<b>\$16.7</b>
<b>Net Revenue (Current Fees)</b>	<b>\$12.5</b>	<b>\$12.5</b>	<b>\$12.5</b>	<b>\$12.5</b>	<b>\$12.5</b>
Revenue from landfill, etc.*	\$0.8	\$0.8	\$0.8	\$0.8	\$0.8
<b>Shortfall</b>	<b>\$ -2.3</b>	<b>\$ -2.7</b>	<b>\$ -3.1</b>	<b>\$ -3.5</b>	<b>\$ -3.3</b>

# Proposed Rates for Current Services

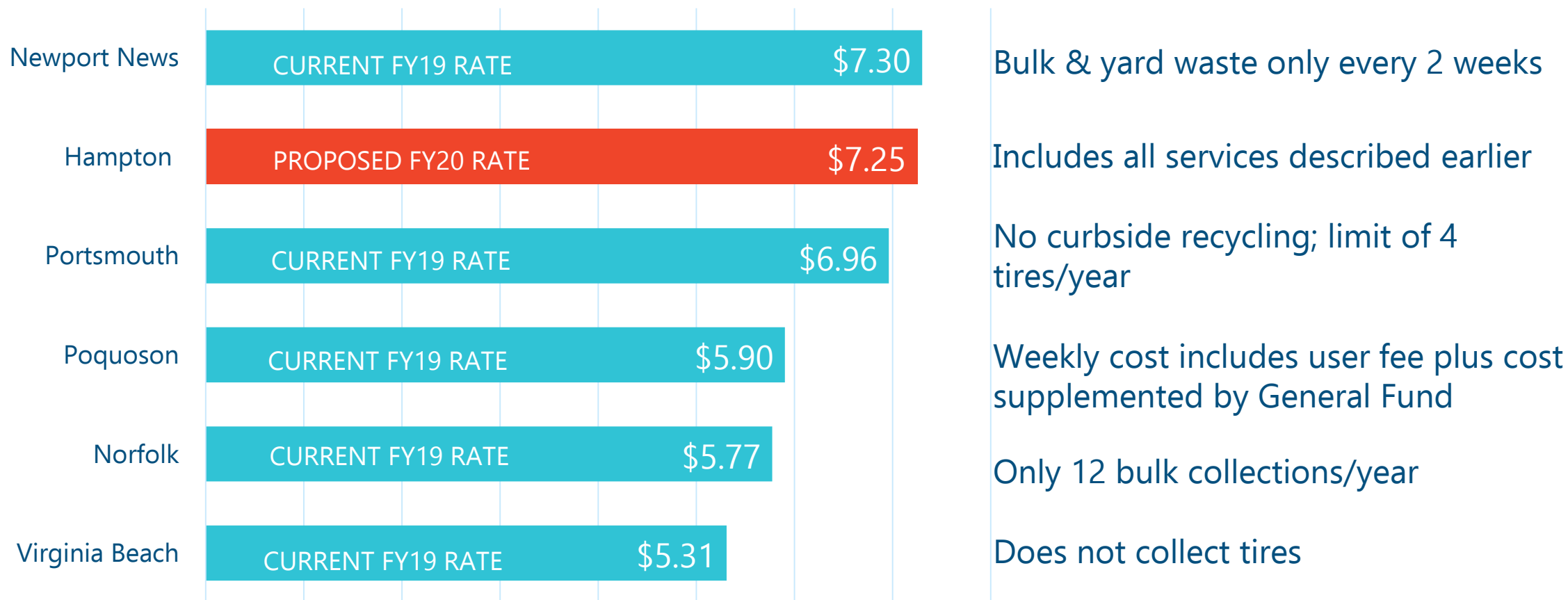
	Current	FY20	FY21	FY22	FY23	FY24	FY25
Weekly Fee	\$6.10	\$7.25	\$7.25	\$7.35	\$7.35	\$7.40	\$7.40
Monthly Fee	\$26.43	\$31.42	\$31.42	\$31.85	\$31.85	\$32.07	\$32.07
Weekly Increase	-	\$1.15	-	\$0.10	-	\$0.05	-
Monthly Increase	-	\$4.99	-	\$0.43	-	\$0.22	-

# Current Weekly Cost Comparison



# Hampton FY20 Proposed Rate vs. FY19\*

\*Other localities have not released proposed rate increases for FY20 yet

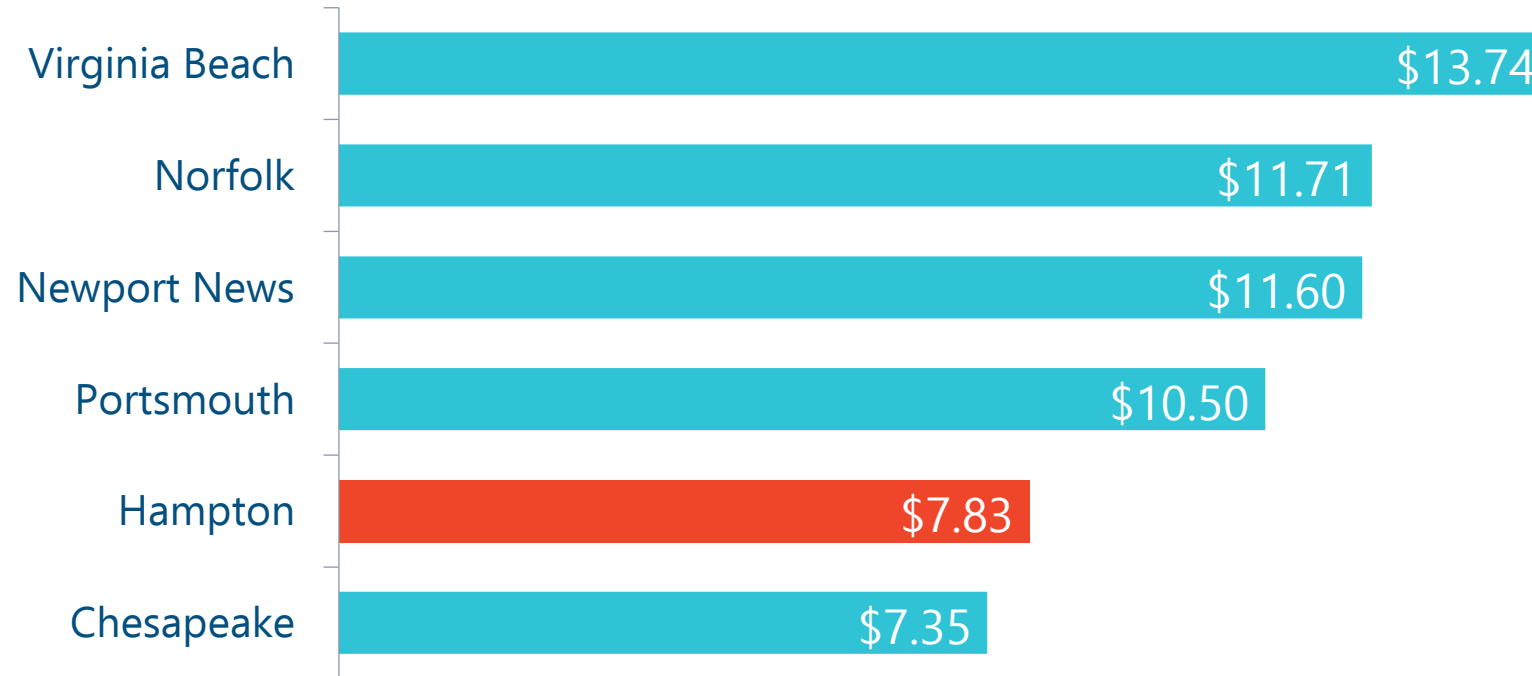


# Potential options for lower increase

- Reduce bulk collections to every other week
  - Residents will need to store yard waste (bags of leaves/grass clippings) and bulk waste (broken appliances, etc.) in back yards until collection (up to 2 weeks).
  - Reduction of staff will impact storm recovery
  - Negative impact on appearance of City if residents place items at curb too early (in violation of ordinance)
- End recycling program
  - Eliminates reuse of 6,000 tons of material annually.
  - Additional ash from steam plant goes to landfill (reduces the overall life of the landfill).
  - Recycling is required by state initiatives. Unknown if the steam plant process qualifies for state recycling initiatives.

# Stormwater Fund

# Current Monthly Rate Comparison



# Stormwater Fund

- Current rate is sufficient to cover existing expenses
- User fee is for projects that improve water quality (reduce pollution)
- Many of those projects can also be used to mitigate flooding
- Flooding is one of Hampton residents' top concerns

**Should Hampton accelerate flood-reduction projects through an increase in the stormwater fee?**

**\$1.00 per month would generate about \$1 million per year.**



# Wastewater Fund

# Wastewater Fund

- Hampton Roads localities are under consent agreements to maintain wastewater systems to reduce sanitary sewer overflows
- The Regional Hampton Roads Sanitation District is currently taking the lead on some regional infrastructure projects
- Hampton Roads localities are still required to maintain wastewater infrastructure
- At this time, Hampton has a reserve balance in the wastewater fund and does not project a need for a rate increase until FY 2022

# Questions?

**Solid Waste, Stormwater &  
Wastewater User Fees**