

Memorandum

To: Carrboro Board of Alderman
Chapel Hill Town Council
Hillsborough Board of Commissioners
Orange County Board of Commissioners

From: George Seiz, Carrboro Public Works Director
Lance Norris, Chapel Hill Public Works Director
Ken Hines, Hillsborough Public Works Director
Gayle Wilson, Orange County Solid Waste Director

Subject: Solid Waste Advisory Group – Recycling Fee Recommendations

Date: March 6, 2015

The Board of County Commissioners created a Solid Waste Advisory Group at its June 3, 2014 meeting. The Group is comprised of two members each from the elected boards of the Towns and County. Additionally, there are one representative each from UNC-CH and UNC-Healthcare. This multi-jurisdictional Group held its first meeting on August 25, 2014 and has been meeting regularly from that time forward.

The SWAG has been focusing on a new interlocal agreement for recycling and solid waste services currently provided by Orange County, with most of the meetings addressing recycling/convenience center funding options. Another area of discussion has been the future role of the SWAG. Additional focus has been on how to incorporate UNC-CH and UNC-Healthcare into an agreement and exploring opportunities for cooperation. Town's and county staffs have also conducted several meetings and discussions with regard to SWAG funding options and processes.

The County Attorney has spoken to the SWAG and has indicated that the options under consideration are consistent with state statutes. Each Town would be required to authorize the county to impose the fee within the municipality.

A preliminary progress report by the SWAG was made at the November 20, 2014, Assembly of Governments meeting. At the SWAG's March 6 meeting a consensus was reached to forward two funding alternatives for discussion by each of the Town elected boards and the Board of County Commissioners. The SWAG requested that each of the Town and County boards discuss the two SWAG funding options and be prepared to discuss making a final decision among the two options at a joint meeting of the Towns and County scheduled for March 26.

Option 1 is a two part annual fee; One Comprehensive Solid Waste Program Fee for all Municipal Units - \$94/year (based on FY 14/15 budget revenue requirement), and One

Comprehensive Solid Waste Program Fee for all Rural units - \$118/year (based on FY 14/15 budget revenue requirement).

Option 1 would establish an urban fee and a rural fee that would be applied to each developed property and multi-family units throughout the county, including tax exempt properties, except for UNC-CH properties that are served by the University's separate recycling program. Option 1 would incorporate an approximate 33% solid waste convenience center costs into the Urban fee component and an approximate 66% solid waste convenience center costs into the Rural fee component.

Option 2 is a Single Comprehensive Fee - \$103/year (based on FY-14/15 budget revenue requirement) that would be applied equally to all developed properties and multi-family units throughout the county, including tax exempt properties, except for UNC-CH properties that are served by the University's separate recycling program. Option 2 would evenly distribute solid waste convenience center costs across all sectors.

Further details of the two options are provided in the attachments.

It is important that a funding decision be made in a timely manner given that such funding would have to be incorporated into the Fiscal 2015/16 budget currently being crafted, and in order for County Tax Administration and Solid Waste Management Departments to complete the various preparations necessary to meet the 2015 tax billing schedule. The SWAG, based on recommendations by staff, has indicated that a final decision should be reached by the end of April to allow time for implementation into the budget process and for the fee to be ready for billing on the 2015 property tax bills.

Town and County SWAG representatives requested that each elected board discuss and fully consider each option prior to the March 26 joint meeting. Town and County staffs are available to explain the fee options and to respond to questions.