RECYCLING PROGRAM FUNDING OPTIONS

PURPOSE

- Provide an overview of recycling program funding options prior to Assembly of Governments meeting on March 26, 2015.
  - Finalizing selection of a funding option will be discussed at AOG meeting

SWAG

- SOLID WASTE ADVISORY GROUP (SWAG)
  - Board of County Commissioners created SWAG in June 2014.
  - Representatives:
    - Two members from each elected board of Carrboro, Chapel Hill, Hillsborough and Orange County
    - One member from UNC-Chapel Hill
    - One member from UNC Healthcare

SWAG

- SWAG began meeting on August 25 to develop an Interlocal Agreement for recycling and solid waste services currently provided by Orange County.
    - Curbside, Multifamily and Commercial Recycling
    - 24 Hour Recycling Drop-off Centers
    - Staffed Convenience Centers
    - C&D Landfill and Vegetative Debris Mulching Facility
    - Commercial Food Waste Collections
    - HHW, Electronics, White Goods, Tires, Scrap Metal, Clean Wood and Mattress Recycling
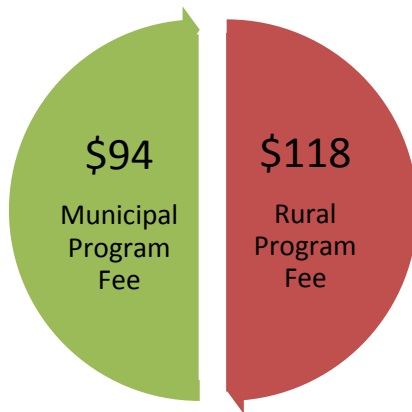
SWAG

- SWAG discussions have included:
  - Funding options for recycling program
  - Interlocal Agreement
  - Partnership Opportunities with UNC-CH and UNC Healthcare
  - Future role of SWAG

SWAG

- Two recycling program funding options are being proposed by the SWAG for consideration by all elected boards.

Option 1

$94
Municipal Program Fee

$118
Rural Program Fee

Option 2

$103
County-Wide SW Program

UNIVERSAL ELEMENTS

UNIVERSAL ELEMENTS

- All developed properties including tax-exempt properties pay a fee.

- Undeveloped properties do not pay a fee.

- The fee structure is stable and predictable.

- Some property owners may consider the proposed fee rates a significant increase because no fee for rural or urban curbside service or multi-family service has been assessed for the past two years.

- Both options include the phased expansion of rural curbside collection service to all remaining ~7,000 rural residential units, increasing the recycling and waste reduction rate.

UNIVERSAL ELEMENTS

- All options assume the current use of fees to fund approximately 35% of Solid Waste Convenience Centers (SWCC) costs, and assumes approximately $1.85 million in General Fund contributions to fund the remaining costs.

UNIVERSAL ELEMENTS

- Funding option proposals are based on FY 2014-15 budget revenue requirements. For FY 2015-16, minor fee adjustments may be implemented to align with the actual FY 2015-16 budget revenue requirements.
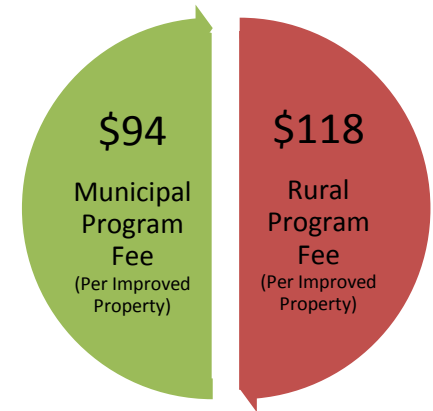
UNIVERSAL ELEMENTS

- Failure of elected boards to approve a funding mechanism may lead to suspension of services or further debiting of the solid waste landfill closure and post-closure reserves account.

- Orange County will continue to provide financial assistance for qualifying low-income residents who are unable to pay for solid waste program fees. In 2014, approximately 700 parcels were provided assistance through the County's 3-R Fee Financial Assistance program.

OPTION #1

- **KEY FACTORS**
  - Simplified fee structure: 2 Fees
  - Easy to administer, manage & explain
  - Incremental rural fee increase over phased expansion of rural curbside service
  - Single family, multi-family, and developed non-residential property owners in the rural sector pay $24 more than property owners in the urban sector.

$94

Municipal
Program
Fee
(Per Improved
Property)

$118

Rural
Program
Fee
(Per Improved
Property)

OPTION #2

- **KEY FACTORS**
    - Simplified fee structure: 1 Fee
    - Easy to administer, manage, and explain
    - Incremental fee increase over phased expansion of rural curbside service
    - All developed properties pay the same amount, although eligibility for services may vary between jurisdictions and sectors.
    - This option presents a new funding paradigm and new way of viewing solid waste program funding by offering a singular fee. This holistic approach to funding eliminates any division between rural and urban boundaries, creating a truly integrated and comprehensive approach to program funding county-wide.

$103

County-Wide SW Program

(Per Improved Property)

NEXT STEPS

- Assembly of Governments meeting on March 26
  - Selection of funding option

- Approval of funding option by each elected board to authorize County to charge fee
  - Approval needed before end of April

- Finalize Comprehensive Interlocal Agreement by January 1, 2016

Questions & Comments

- Staff is available to answer questions.