

Mayor and Council Communication

DATE: 11/17/20

M&C FILE NUMBER: M&C 20-0838

LOG NAME: 23GRANT OF PRIVILEGE FEE INCREASE

SUBJECT

(ALL) Adopt an Ordinance Amending Chapter 12.5 Environmental Protection and Compliance, Article VIII Solid Waste and Recycling, Division 5 Private Collectors to Amend the Grant of Privilege Fee and Application

RECOMMENDATION:

It is recommended that the City Council adopt the attached ordinance amending Chapter 12.5 Environmental Protection and Compliance, Article VIII Solid Waste and Recycling, Division 5 Private Collectors to amend the grant of privilege fee from 5 percent to 10 percent of total gross hauling revenue and amend the application.

DISCUSSION:

Private solid waste haulers collect virtually all of the municipal solid waste generated by businesses, industries, and apartment complexes in the City of Fort Worth. A hauling permit is required for collection vehicles as well as a grant of privilege from the City.

Private waste haulers are required to obtain a non-exclusive grant of privilege agreement with the City in order to collect and transport municipal solid waste within the City limits. These agreements allow haulers to use public streets, alleys, and thoroughfares within the City for the purpose of engaging in the business of collection of solid waste. Additionally, private waste haulers are required to pay a fee for the use of the City's infrastructure currently equal to five percent (5%) of the total gross hauling revenue.

On September 30, 2020, the City's consultant, Burns & McDonnell submitted a report recommending the City increase its grant of privilege fee from five percent (5%) to ten percent (10%) based on a benchmark of other Texas cities' fee.

This ordinance will increase the fee private waste haulers who are granted a non-exclusive grant of privilege agreements have to pay the City on a quarterly basis from five percent (5%) to ten percent (10%) of their gross revenues generated from their municipal solid waste collection operations within the City, not including collection of source-separated recyclables. Five percent (5%) of the fee relates to the impact of vehicles used for solid waste collection on City streets and is transferred to the General Fund for street maintenance. The remaining five percent (5%) will remain in the Solid Waste Fund to offset the current cost of services. In addition to the fees, haulers will also be required to provide the City with information about volumes and types of materials that are being collected and transported. Revenue from this agreement is estimated at \$3,000,000.00 annually.

This serves all COUNCIL DISTRICTS.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendation and amendment to the ordinance, funds will be deposited into the Solid Waste Fund and the General Fund. The Code Compliance Department (and Financial Management Services) is responsible for the collection and deposit of funds due to the City.

Submitted for City Manager's Office by: Valerie Washington 6199

Originating Business Unit Head: Brandon Bennett 6322

Additional Information Contact: David B. Carson 6336