

Mayor and Council Communication

DATE: 11/17/20

M&C FILE NUMBER: M&C 20-0839

LOG NAME: 23SOUTHEAST LANDFILL SURCHARGE

SUBJECT

(ALL) Adopt an Ordinance to Amend Chapter 12.5 of the City Code, Environmental Protection and Compliance, Article VIII, Solid Waste and Recycling, Division 1, General Provisions to make a Definition of Non City Waste and Division 4, Deposits, Rates and Collection to Establish a Landfill Environmental Fee as Section 12.844 for Certain Non-City Waste Received at the Southeast Landfill and Finding that Adopting the Fee Is Necessary to Address the Future Need for Disposal of Solid Waste and Is a Governmental Function and to Establish the Landfill Environmental Fee in an Amount Not to Exceed \$5.00 Per Ton

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the attached ordinance to amend Chapter 12.5 of the City Code, Environmental Protection and Compliance, Article VIII, Solid Waste and Recycling, Division 1, General Provisions to establish a definition of Non-City Waste and to amend Divison 4 Deposits, Rates and Collection to establish a Landfill Environmental Fee as Section 12.844 for Non-City Waste not collected under a Grant of Privilege and disposed of at the Southeast Landfill; and
 2. Find that adopting the fee is necessary to address the future needs for disposal of solid waste and is a governmental function; and
 3. Establish the Landfill Environmental Fee in an amount not to exceed \$5.00 per ton.
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DISCUSSION:

The City is the owner of the Southeast Landfill. The Southeast Landfill is operated by Allied Waste Systems, Inc. d/b/a Fort Worth Southeast Landfill (hereinafter, "Republic Services") through a Lease Agreement (City Secretary Contract No. 28336.) On September 30, 2020, the City's consultant, Burns & McDonnell finalized a study and recommended that the City adopt a \$5.00 per ton landfill surcharge for non-City waste disposed of at the Southeast Landfill. Section 7.03 of the Lease Agreement, as amended, allows for Republic Services to set the tipping fee charged to haulers. However the tipping fee must include all charges mandated by the City when that charge is enacted in the City's governmental capacity.

This ordinance amends the City Code to require that haulers who do not have a Grant of Privilege with the City and dispose of Non-City Waste at the Southeast Landfill be assessed the surcharge as recommended by Burns & McDonnell, to be call the Landfill Environmental Fee. Furthermore, the City Council by this Mayor and Council Communication hereby sets the fee in an amount not to exceed \$5.00 per ton. Thereafter, the City Manager may direct the establishment of this fee in amount of up to \$5.00 per ton. The collection of this fee will begin January 1, 2021.

Over the life of the Lease Agreement, solid waste and limited special waste has been delivered by various City contractors and other commercial solid waste haulers for permanent disposal. Historically, the landfill was predominately utilized by and for the City's residential and internal operational waste stream. However, over the past ten or more years, the volume of solid waste being disposed of within the landfill has significantly changed to include the greatest amount by type and generation point beyond the City's residential stream (24% City residential vs 76% non-City in 2019) into the commercial, business and industrial sectors of Fort Worth and beyond the City limits. In addition, the expansion and enhancements associated with the City's Solid Waste Service Programs (Litter & Debris Abatement, Illegal Dumping Collection & Enforcement Investigation, Street Sweeping, Dead Animal Collections, Keep Fort Worth Beautiful and Code Communications) has increased beyond the initial residential-focused services associated with the last major funding advancement in 2006. As both the costs (annually more than \$4.4 million) and beneficiaries of these programs and services have reach further into the commercial, business, industrial sectors and greater community as a whole, the City has avoided addressing increased fund requirements utilizing prior funding balance.

As a City asset, the Southeast Landfill has continued to receive increased solid waste volumes associated with the affordable disposal costs, increased growth and development in the Fort Worth, Tarrant County, and greater DFW Region; which has greatly reduced the disposal capacity and life to between 11.9 to 16.9 years. In addition, the capital cost of expanding the existing landfill and permitting a new greenfield landfill has been estimated at \$46+ million, which needs to be fully funded prior to beginning the necessary activities associated with each. Based on the increased utilization of the landfill being weighted towards the non-City municipal solid waste stream, advancing this Landfill Environmental Fee is necessary and done so by the City Council acting in its official governmental capacity.

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 recommendations and establishment of a landfill environmental fee, funds will be deposited into the Solid Waste Fund. The Code Compliance Department (and Financial Management Services) is responsible for the collection and deposit of funds due to the City.

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