

**To the Mayor and Members of the City Council****June 6, 2023**

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SUBJECT: ECC INTERLOCAL AMENDMENTS AND PROPOSING A FEE INCREASE FOR MUNICIPALITIES AND GOVERNMENT ENTITIES THAT ULITIZE THE CITY'S ENVIRONMENTAL COLLECTION CENTER (ECC)

The purpose of this informal report is to provide an update on the need to increase the fee for municipalities and government entities that utilize the City's Environmental Collection Center (ECC).

Background

Since 1997, the City of Fort Worth has operated an Environmental Collection Center (ECC), providing a facility for residents as well as surrounding municipalities to dispose of household hazardous waste (HHW). The ECC has grown from servicing 5,000 households and 17 municipalities to over 30,000 households and 52 municipalities annually. Visitors bring their household hazardous waste to the ECC where staff sort the waste for reuse, recycling, and disposal. Fort Worth residents may visit the ECC free of charge. Non-Fort Worth visitors within participating cities and counties are charged \$50 per visit.

In June 2017, City Council approved M&C C-28276, which authorized the execution of Interlocal Agreements with the various municipalities and government entities, allowing those entities to participate at the ECC. The initial term on the agreement was from October 1, 2017 through September 30, 2018, with one-year options to renew in future fiscal years. The rate per household in the agreement was established at \$50 and the City of Fort Worth has maintained that rate since 2017, including during the COVID-19 pandemic (no rate adjustments as user trends fluctuated and other uncertainties).

ECC Fee Increase

Working through major contract negotiations and procurements in 2022, the City scheduled a rate increase proposal for the 2024 Budget. With the current supply/equipment chain issues, staffing shortages and other inflationary impacts, costs are forecasted to increase over 176% in many categories including disposal.

In FY 2023, Code Compliance contracted with Burns and McDonnell to provide a cost analysis and a future rate structure for the ECC. Based upon the analysis, the City will need to increase the per household fee paid by the other entities. Code Compliance staff met with the ECC stakeholders/municipalities in January and February of 2023 to solicit feedback, explain the increased costs and to allow them time to adjust their budgets for future fiscal years.

As part of the recommended Fiscal Year 2024 Budget, Code Compliance will be including a fee increase effective October 1, 2023 (as communicated to other agencies). The cost per household (the fee other agencies pay the City to use our facility) to properly dispose of household hazardous waste at the ECC will go from \$50 to \$95 a visit. Barring any unforeseen circumstances, staff anticipates this rate will remain in effect through September 30, 2025. Future rate increases are expected to begin October 1, 2025, with a gradual escalation of rates through September 30, 2032. There is no charge to Fort Worth solid waste customers as our costs are built into the residential rate.

Providing a regional ECC is the most cost-effective way to properly dispose of such waste (economy of scale). Amendments to the agreements have been sent to all participating entities so that they can build their FY 2024 budgets with the increased rate.

For questions regarding this information, please contact Brandon Bennett, Director of the Code Compliance Department, at 817-391-6322.

David Cooke
City Manager