

Resource Recovery Special Charge Policy

Approved on _____, 2022

Background

The purpose of this policy is to set forth the mechanism by which the City of Madison will apportion the Resource Recovery Special Charge to those parcels in the City that receive curbside recycling collection services from the City of Madison Streets Division.

Recycling is required by state law (Subch. II of Wis. Stat. Ch. 287) and City ordinances (MGO 10.18). Under adopted City policy (RES-10-00362, File No. 17693) and through the Streets Division's recycling program, the City provides collection, sorting and recycling services to most properties with 8 or fewer residential units along with some small commercial properties. Only properties provided with this service will be specially charged under the ordinance.

The Resource Recovery Special Charge was created by the adoption of ORD-22-00029 on April 19, 2022, and is codified at Madison General Ordinances Sec. 4.097. The Special Charge is collected as part of the Municipal Services Bill issued monthly by the Madison Water Utility. This bill currently includes water utility, sewer utility (including landfill remediation), and stormwater utility charges, along with the urban forestry special charge.

Under the Resource Recovery Special Charge, a special charge on all real property that receives curbside recycling collection services from the Streets Division has been established to allow the City to recover its collection, sorting and recycling costs in performing this service. The recycling program services provided by the City ensure the City, its residents, and property owners are able to comply with State and local recycling mandates.

The primary goal of this policy is to reasonably apportion the special charge among the Streets Division's recycling customers, while not discouraging compliance with these State and local recycling requirements. Charging customers based upon size of carts, volume of recycling collected, and frequency of service would have these undesired effects and could lead to a diversion of recyclable waste into the solid waste stream.

Apportionment Method

The Resource Recovery Special Charge will be imposed against all parcels in the City, including City owned parcels, that receive curbside recycling collection services from the Streets Division's recycling program. Properties that do not receive this service will not be charged, nor will properties that already pay for such services under the State Street Mall/Capitol Concourse Special Charge. The intent of this policy and apportionment method is that only those properties served by the City's recycling program will incur these charges.

Charges shall be imposed against residential parcels based upon a per dwelling unit basis. The Streets Division, using the City's available data, shall determine how many dwelling units are on a parcel, and the charge shall be applied accordingly. The number of dwelling units on a parcel roughly equates to the number of recycling carts serviced and thus the services provided to the parcel.

For non-residential properties served by the recycling program, the Streets Division will determine a dwelling unit equivalent for the parcel served by the recycling program. The dwelling unit equivalent shall be the total number of recycling carts required by the non-residential customer. Non-residential properties will then be charged the per dwelling unit rate based upon this dwelling unit equivalent.

Determining The Parcels Served

The Streets Division does not yet have a complete and authoritative list of those parcels served by its recycling program. Hence, as the charge is implemented, it will be necessary to make certain assumptions about which parcels are served by the recycling program. Once an initial list of parcels is prepared, some property owners/Municipal Services Bill recipients (including smaller commercial properties) not on the service list will be able to opt-in to the service. In addition, those parcels on the initial service list that do not receive City recycling services will have the ability to be removed from the list of parcels served. However, a property subject to the City's solid waste and recycling collection requirements and policies cannot refuse or opt-out of such services.

Under existing City practice and policy, the Streets Division's recycling program is set up primarily as a residential collection service, serving properties with eight (8) or fewer dwelling units through the collection of recycling in City-provided carts. The City does not provide dumpster services, or collection services on private streets, nor does the City provide recycling services to most commercial and industrial properties. However, the City does provide waste and recycling services to some smaller commercial properties throughout the City, and continues to collect waste and recycling from a handful of larger residential buildings where dumpster services may not be practicable/available.

To determine which parcels are provided recycling services by the Streets Division, and thus subject to the resource recovery special charge, the following parameters shall be followed:

Default Level of Service. All parcels with eight (8) dwelling units or fewer will be included, unless excluded by the Streets Division as noted below, or where the City does not actually provide such services to a parcel. A residential property that is otherwise subject to the City's solid waste and recycling collection program cannot opt-out of this service and the special charge. New residential parcels meeting this criteria will be added to the service list when recycling carts are delivered to the parcels and collection service commences on the fronting street.

Residential Exclusions. Residential parcels may be excluded from the recycling program, and the special charge, by the Streets Division if any of the following conditions are met:

- The Streets Division comes to learn that there are more than 8 dwelling units on the parcel;
- Dwelling units on the property cannot be serviced practically with existing Streets Division collection equipment and practices;
- The City has not delivered recycling carts to the property or is unable to start providing curbside recycling services to the property (i.e., in newly platted subdivisions); or,
- The dwelling units are on private streets, private carriage lanes or subject to a developer's agreement that requires private collection, unless the residents are able to bring the City recycling cart to the public right-of-way for collection, and there is appropriate space in the right-of-way for proper recycling cart placement to allow for automated collection by the Streets Division, which determination shall include:
 - The ability to have a single row of carts set out at the curb;
 - Whether the carts can be stored four feet away from obstructions, like poles, mail and electrical boxes, to allow the safe operation of City collection equipment; and,
 - Whether the material set out allows for automated collection by the City.

Multiple Buildings. Parcels containing dwelling units within multiple buildings, with each building housing eight (8) or fewer dwelling units, will be considered for inclusion in the recycling program on a case-by-case basis, criteria to include:

- Total number of carts required to serve the parcels;
- Whether the property owner can comply with the City's cart storage ordinance (MGO Sec. 27.05(2)(cc));
- The City's ability to service the property with and pursuant to existing Streets Division collection equipment and practices; and,
- Whether there is appropriate space in the right-of-way for proper recycling cart placement to allow for automated collection by the Streets Division, which determination shall include:
 - The ability to have a single row of carts set out at the curb;
 - Whether the carts can be stored four feet away from obstructions, like poles, mail and electrical boxes, to allow the safe operation of City collection equipment; and,
 - Whether the material set out allows for automated collection by the City.

Larger Residential Properties. The City currently serves some residential properties with more than 8 dwelling units. The City will continue to provide recycling services to these parcels provided they can meet the cart storage, service, and collection requirement noted above for multiple building properties or as otherwise required by the Streets Division, and they agree to pay the per dwelling fee. These existing larger residential property customers may opt-out of continued

City recycling services, but will need to subsequently secure a private hauler for this purpose. The Streets Division reserves the right to discontinue services to these larger residential properties if the above-noted service rules and criteria cannot be followed.

Non-residential Opt-In. Non-residential properties (including commercial and industrial properties) will initially be excluded from the service list, but may apply to the Streets Division to opt-in to recycling services, and thus the special charge. To the extent that a non-residential property's recycling needs allow collection similar to a residential property, the Streets Division will consider, upon request of the property owner and/or the Municipal Services Bill recipient, collecting the recycling of the non-residential property. Streets Division staff will determine if a non-residential property should be provided recycling services, and be subject to the special charge, based upon the following criteria:

- The typical volume and weight of recyclables to be collected from the parcel;
- The City's ability to service the property with and pursuant to existing Streets Division collection equipment and practices;
- Whether the property owner and/or Municipal Services Bill recipient can comply with the City's cart storage ordinance (MGO Sec. 27.05(2)(cc));
- The City's ability to service the property with and pursuant to existing Streets Division collection equipment and practices;
- The property owner and/or Municipal Services Bill recipient's ability to place all recyclable waste in a City-provided cart, unless a separate agreement is made with the Streets Division regarding collection, including possibly an additional fee; and,
- Whether there is appropriate space in the right-of-way for proper recycling cart placement to allow for automated collection by the Streets Division, which determination shall include:
 - The ability to have a single row of carts set out at the curb;
 - Whether the carts can be stored four feet away from obstructions, like poles, mail and electrical boxes, to allow the safe operation of City collection equipment; and,
 - Whether the material set out allows for automated collection by the City.

Non-residential customers may opt-out of continued City recycling services, but will need to subsequently secure a private hauler for this purpose. If service is provided to a non-residential property, the Streets Division reserves the right to discontinue services to these non-residential properties if the above-noted service rules and criteria cannot be followed.

Service Requests. If a residential or non-residential property owner does not currently receive City recycling services and desires to obtain these services, then the property owner and/or Municipal Services Bill recipient may request these services from the Streets Division, who shall determine whether the property can be served consistent with the City's existing policies on curbside collection and the

criteria set forth above, as applicable. If service is possible, the necessary recycling cart(s) shall be provided and the property shall become subject to the special charge.

Removal from Service List. If the special charge is imposed against a residential or non-residential property that does not meet the criteria above and that does not actually receive recycling services from the City, obtaining such services from private haulers instead, the property owner or Municipal Services Bill recipient may contact the Streets Division to request removal from the special charge list. If a lack of recycling services is confirmed by the Streets Division, the parcel shall be removed from the service list.

Determining the Special Charge

The Common Council shall set the revenue target for the resource recovery special charge as part of the City's annual operating budget (the "Budgeted Amount"). The Budgeted Amount shall reflect the amount of special charge revenue anticipated for the year. This amount shall not exceed the actual costs expected to be incurred by the City to provide this service.

To determine the charge, the Streets Division shall determine the "per dwelling unit" share of the Budgeted Amount by dividing the Budgeted Amount by the sum total of the dwelling units and dwelling unit equivalents served by the recycling program. This will lead to an annual per dwelling unit charge as follows:

$$\text{Annual per dwelling unit charge} = \frac{\text{Budgeted Amount}}{\text{Dwelling Units} + \text{Dwelling Unit Equivalents}}$$

This annual charge will then be divided based upon the number of collection periods remaining in the budget year.

For example, if the budgeted amount is \$1,500,000, and there are 62,000 dwelling units and 500 dwelling unit equivalents served by the program, the annual charges shall be:

$$\frac{\$1,500,000}{62,000 + 500 \text{ dwelling units}} = \$24/\text{year per dwelling unit}$$

If there are only 6 months left in the budget year (6 collection periods), then the monthly Municipal Services Bill charge would be:

$$\frac{\$24/\text{year per dwelling unit}}{6 \text{ collection periods}} = \$4/\text{month per dwelling unit}$$

Collection

The monthly resource recovery special charge shall be imposed against each tax parcel served by the Streets Division's recycling services using the criteria established herein and pursuant to City policy. This amount shall be collected on the parcel's Municipal Services

Bill(s). Pursuant to MGO Secs. 4.09(13) and 4.097(6), and Wis. Stat. Sec. 66.0627, unpaid special charges shall become a lien on the property and shall automatically be extended upon the current or next tax roll as a delinquent tax against that property and all proceedings in relation to the collection, return and sale of the property for delinquent real estate taxes shall apply to such special charges.

Limitation

In no event will the special charge revenue exceed the Streets Division's actual costs to provide the recycling program services. Any over collection of special charges shall be refunded to the parcels served, either directly or as a credit on the Municipal Services Bill.