

# Regulation and Neighborhood Affairs Committee

December 14, 2017



Mayor Sylvester Turner



Harry Hayes, Director

## Background



- The City incurs costs of about \$1,000,000 annually that are not recovered from the residents on lost or stolen containers.
- The City purchases 10,000 garbage and 10,000 recycling containers a year.
- The useful life of a typical City solid waste garbage or recycling container is about ten (10) years. The useful life can increase depending on how the resident cares for his/her container as well as the quality of SWMD operator's work.

Container  
Related  
Service  
Requests FY16  
and FY17

Area	FY16	FY17	Grand Total
77023	5	11	16
77007	8	7	15
77004	6	7	14
77062	2	3	12
77026	2	8	10
77076	8	2	10
77036	8	2	10

Proposed  
Amendment  
to Code of  
Ordinances  
Chapter 39,  
Section 62 (a),  
Items 2-5

- “(2) The department will replace containers that city collectors damage beyond use at no charge to the property owner.”
- “(3) The department will replace containers due to routine wear when necessary at no charge to the property owner, but no more frequently than once every ten years.”



Proposed  
Amendment  
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- “(4) ...the department shall replace a property owner’s container upon payment therefor by the property owner using any payment method described in item (1) of this subsection. The cost for container replacement includes the container delivery fee in addition to the city’s actual cost to purchase the replacement container, as set forth in the city’s fee schedule.”

DESCRIPTION	STATUTORY AUTHORITY	AMOUNT
Solid Waste Container Delivery/Retrieval	39-62 (a)(4) and (5)	\$23.84
Solid Waste Container Replacement*	39-62 (a)(4)	\$49.88
Total		\$73.72

\*Actual cost varies at the time of each purchase order.

# COS Model Proposed by Finance Department

City of Houston												
Department of Solid Waste												
PROPOSED												
							Current					
							Per Unit			Annual		
Reorder	#	Service Name	Fee Related	Fee Description	Annual Volume	Volume Billed	Current Fee	Current Recovery %	Full Cost	Annual Cost	Annual Revenue	Annual Subsidy
1	1	Container delivery fee	Fee		16,575	16,575			\$23.84	\$395,164		\$395,164
2	2	Cleaning fee	Fee		500	500			\$39.57	\$19,787		\$19,787

- Solid Waste Container + Disposal \$40.14
  - Finance Proposed Cleaning Fee \$39.57
  - Disposal Fee \$0.57
    - Garbage Container averages about 47 pounds with a disposal rate of about \$24.43 per ton.

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- (5) Any unauthorized City container presented for service will be retrieved and a fee of \$63.98 will be assessed.



DESCRIPTION	STATUTORY AUTHORITY	AMOUNT
Solid Waste Container Delivery/Retrieval	39-62 (a)(4) and (5)	\$23.84
Solid Waste Container Cleaning + Disposal of Contents	39-62 (a)(5)	\$40.14
Total		\$63.98