



## **ADDENDUM I**

### **BLOOMINGTON CITY COUNCIL AGENDA**

**NOVEMBER 25, 2013**

#### **ADDITION TO CONSENT AGENDA**

- Item 6B. Bills and Payroll. (Recommend that the bills and payroll be allowed and orders drawn on the Treasurer for the various amounts as funds are available.) *City Council Memorandum with Attachment 1.*
- Item 6D. Severance Agreement for Todd Greenburg. *Appendix A.*

#### **ADDITION TO REGULAR AGENDA**

- Item 7B. Financial and Programmatic Policy Options Related to the Solid Waste Program. (Recommend the Text Amendment to Sections 300.7 and 301.6 and addition of Sections 301.7 and 301.8 to Chapter 21 of the Bloomington City Code be approved and the Ordinance passed.) (30 minutes) *City Council Memorandum with Attachment.*



FOR COUNCIL: November 25, 2013

**SUBJECT:** Bills and Payroll

**RECOMMENDATION/MOTION:** That the bills and payroll be allowed and orders drawn on the Treasurer for the various amounts as funds are available.

**STRATEGIC PLAN LINK:** Goal 1. Financially sound City providing quality basic services.

**STRATEGIC PLAN SIGNIFICANCE:** Objective 1d. City services delivered in the most cost-effective, efficient manner.

**FINANCIAL IMPACT:** Total disbursements to be approved \$4,945,270.45, (Payroll total \$2,388,882.48, P-Card total \$191,315.66, and Accounts Payable total \$2,365,072.31).

Respectfully submitted for Council consideration.

Prepared by: Patti-Lynn Silva, Director of Finance

Recommended by:

David A. Hales  
City Manager

(ON FILE IN CLERK’S OFFICE)

**Attachment:** Attachment 1. Bills and Payroll on file in the Clerk’s office. Also available at [www.cityblm.org](http://www.cityblm.org).  
Attachment 2. Summary Sheet Bills and Payroll Report

Motion: That the bills and payroll be allowed and orders drawn on the Treasurer for the various amounts as funds are available.

Motion: \_\_\_\_\_ Seconded by: \_\_\_\_\_

	Aye	Nay	Other		Aye	Nay	Other
Alderman Black				Alderman Mwilambwe			
Alderman Fazzini				Alderman Sage			
Alderman Fruin				Alderman Schmidt			
Alderman Lower				Alderman Stearns			
Alderman McDade							
				Mayor Renner			

## Appendix A

To Whom It May Concern-

Todd Greenburg was hired by the City as Assistant Corporation Counsel on July 16, 1990. On August 1, 1990, he was promoted to Corporation Counsel for the City of Bloomington, an office he held until he submitted his retirement from municipal employment on November 18, 2013.

During his tenure as Corporation Counsel, he represented the City in hundreds of cases before the Circuit Court of McLean County, Illinois. In addition, he personally briefed more than twenty cases before the Fourth District Appellate Court of Illinois, and personally briefed and argued one case before the Illinois Supreme Court. Many of the appellate court cases in which he participated were deemed important enough to be published in the court's permanent reports.

In addition to his work in the state courts, Mr. Greenburg represented the City in several cases before the federal court for the Central District of Illinois. He was successful in all of those cases.

Mr. Greenburg's work for the City included the negotiation of multiple collective bargaining agreements in which he was often the chief negotiator for the City. He also represented the City many times before the Illinois Labor Relations Board.

He drafted numerous ordinances during his 23 years with the City, including innovative approaches to regulation of chronic nuisance properties which harm neighborhood property values, an ordinance regulating parolee group homes which was the first of its kind, and an ordinance prohibiting loitering under circumstances giving rise to a suspicion of selling illegal drugs. He routinely drafted and reviewed a wide range of contracts involving the City.

Mr. Greenburg was also deeply involved in the day-to-day operations of a municipality which, at the time of Mr. Greenburg's resignation, employed more than 700 employees and had a population of more than 77,000 people. He supervised the work of two other in-house attorneys as well as three support staff, in addition to reviewing the work of outside counsel. He maintained an "open-door" policy and regularly gave legal advice to elected officials, department heads, and rank-and-file employees regarding their duties and the best means to accomplish goals within legal boundaries.

Yours truly,

Director of Human Resources



FOR COUNCIL: November 25, 2013

SUBJECT: Financial and Programmatic Policy Options Related to the Solid Waste Program

**RECOMMENDATION/MOTION:** Recommended that the Text Amendment to Sections 300.7 and 301.6 and addition of Sections 301.7 and 301.8 to Chapter 21 of the Bloomington City Code be approved and the Ordinance passed.

**STRATEGIC PLAN LINK:** Goal 1. Financially Sound City Providing Quality Basic Services.

**STRATEGIC PLAN SIGNIFICANCE:** Objective 1d. City services delivered in the most cost-effective, efficient manner.

**BACKGROUND:** The City's Solid Waste Program has been actively evolving, leading to positive changes toward the future while presenting challenging financial decisions in the present. Under Council leadership, the program has drastically increased the City's recycle participation rates, implemented efficient collection methods, and established safer working conditions for employees. Automated curbside recycle collection is now fully implemented with automated trash collection soon to follow. However, fees to fund the program have continually needed to rise with the FY13 budget inclusion of a \$2.00 increase from \$14 to \$16 per month. Fees collected by the City have never fully covered the cost of the program as the City has historically subsidized operations through the General Fund (or taxpayer). Over the past several fiscal cycles, the City has intentionally reduced the subsidy which has minimized the need to raise General Fund revenues such as property taxes or sales taxes to support the growing costs of solid waste operations. Due to increased operational costs such as personnel, fuel, disposal fees, debt service, volatile commodity rates, and a budget shortfall in FY13, the General Fund transfer for FY14 will be significantly higher than previous fiscal cycles (approximately \$2.6 million), with future projected subsidies remaining at this higher level. Recent solid waste budgets have also been unsustainable due to the exclusion of capital maintenance in efforts to keep costs low to consumers while weathering the great economic recession. The purchase of the new automated vehicles and containers has addressed this deferred maintenance issue but represents a long-term investment intended to reap long-term savings.

In a Work Session on October 28, 2013, staff introduced proposed changes to the City's solid waste fee structure and operational programs which would eliminate the City's Solid Waste Enterprise Fund structural deficit by FY2018, allowing the program to be solely supported by user fees. Staff recommended that Council give careful consideration to the following:

1. Adopt a new variable rate structure for solid waste collection services.
2. Consider strongly Scenario 2 Medium Transition Alternative.
3. Begin charging for all bulky item collections at \$25.00 per bucket load.
4. Provide customers, upon request, with a second recycle cart at no charge.

5. Implement a Pay As You Throw (PAYT) refuse sticker program to complement the automated cart system.
6. Consider implementing a low-income discount in concert with a variable rate structure.

Based on the work session discussions and subsequent feedback from Council<sup>1</sup> and the general public, staff proposes that Council adopt one of the following three policy options intended to establish and structure the operational and financial future of the City's Solid Waste Program.

*Policy Option A: Medium Transition Alternative*

As previously proposed and recommended by staff, the Medium Transition Alternative would introduce gradual increases to the solid waste fee that would effectively eliminate the solid waste subsidy from the General Fund by FY2018. This approach would leave the monthly fee for customers desiring a 35-gallon cart at \$16.00 per month in FY2015 and increase the fee for those desiring a 65-gallon cart to \$18.00 and \$20.00 for those with a 95-gallon cart. The following table outlines the accumulative annual increases the Medium Transition Alternative would follow to achieve a solvent Solid Waste Enterprise Fund.

<b>Policy Option A - Medium Transition to Balanced Budget in Solid Waste Enterprise Fund</b>							
<b>Description</b>	<b>Actual</b>		<b>Projected</b>				
	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Basic Rates for Curbside Service:</b>							
Flat Rate per Home	\$14.00	\$16.00	\$16.00				
1 ea. 35-gallon refuse cart				\$16.00	\$18.00	\$18.00	\$19.00
1 ea. 65-gallon refuse cart				\$18.00	\$20.00	\$20.00	\$21.00
1 ea. 95-gallon refuse cart				\$20.00	\$22.00	\$22.00	\$23.00
Refuse Stickers (for extra bags)				\$3.00	\$3.00	\$3.00	\$3.00
<b>Bulky/Brush Collection:</b>							
Bucket Load Charge	\$25.00	\$25.00	\$25.00				
Bulky/Brush Collection (charge for all Bulky/Brush)				\$25.00	\$25.00	\$25.00	\$25.00
<b>Annual Percent Increase:</b>							
Extra 35-gallon refuse cart				0.0%	12.5%	0.0%	5.6%
Extra 65-gallon refuse cart				12.5%	11.1%	0.0%	5.0%
Extra 95-gallon refuse cart				25.0%	10.0%	0.0%	4.5%

<sup>1</sup> See "Council Input and Feedback 11-16-13.doc"

The Medium Transition Alternative assumes that Council also approves recommendation 5 (referenced above) which introduces a Pay As You Throw (PAYT) sticker program. This option would also require the elimination of free large-item collection and begin charging \$25 per bucket load. **This option does not propose to alter current practice as it relates to brush or leaf collection.** This option would continue the practice of free brush waste collection up to two bucket loads, charging \$25 per bucket load after maximum is reached, as well as free leaf collection during collection cycles.

The following revenue and expense projections for the Medium Transition Alternative account for reduced operational expenses and increased revenue in the City's Bulk Waste Program (a program which has been found to be 10 times more expensive than containerized curbside collection), as well as increased revenue due to the introduction of a PAYT sticker program:

<b>Policy Option A - Summary of Revenue and Expenses (in 000s)</b>							
<b>Revenue</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
Curbside Rate Revenue	\$4,285	\$4,725	\$4,833	\$6,220	\$6,844	\$6,844	\$7,146
Bulky/Brush Revenue	29	24	25	38	38	38	38
General Fund Transfer	1,500	1,304	2,600	875	575	450	0
Other Revenue	255	166	202	203	203	204	205
<b>Total Revenue</b>	<b>\$6,069</b>	<b>\$6,219</b>	<b>\$7,660</b>	<b>\$7,335</b>	<b>\$7,659</b>	<b>\$7,535</b>	<b>\$7,389</b>
<b>Expenses</b>							
Labor and Labor-related	3,343	3,482	3,848	3,542	3,600	3,644	3,687
Materials and Supplies	2,467	2,197	2,464	2,474	2,546	2,608	2,670
Debt Service	37	791	1,074	1,074	1,266	1,032	341
Transfers	209	240	240	242	245	247	250
<b>Total Expenses</b>	<b>6,056</b>	<b>6,710</b>	<b>7,626</b>	<b>7,332</b>	<b>7,657</b>	<b>7,531</b>	<b>6,948</b>
<b>Surplus/(Shortfall)</b>	<b>13</b>	<b>(491)</b>	<b>34</b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>441</b>
<b>Surplus/(Shortfall) as % of Revenue</b>	<b>0.2%</b>	<b>-7.9%</b>	<b>0.4%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.1%</b>	<b>6.0%</b>

As highlighted above, the Medium Transition Alternative would effectively eliminate the City's General Fund transfer to the Solid Waste Enterprise Fund by FY2018. Under this approach, staff also recommends offering a low-income discount to qualifying customers to provide financial relief to those that would be most adversely impacted by increased fees.

*Policy Option B: Uniform Rate of \$25.00*

Variable cart sizes do not have to necessitate a variable fee structure. Another option for Council to consider is to raise the monthly fees utilizing the City's historical practices of a uniform fee structure. While staff has not spent much time investigating this option, a quick way to identify the needed established fee would be to take the City's anticipated FY2014 expenditures and divide them amongst the City's 25,000 customers. Utilizing this method, FY2014 Solid Waste Program expenses are projected to be \$7,625,840. With a customer base of ~25,000 the monthly fee for service would be \$25.42 per month ( $\$7,625,840 / 25,000 \text{ customers} = 305.03 / 12 \text{ months} = \$25.42$ ). Establishing a uniform fee for every solid waste customer to cover projected expenses would also allow for the bulk waste program to continue without the additional restrictions or pricing signals.

*Policy Option C: Status Quo*

A third option for Council to consider is to continue with the \$16.00 uniform fee for customers while providing for the same levels of service citizens have experienced. The Status Quo Option relies heavily on the General Fund and may require the City to raise General Fund revenues such as property taxes or sales taxes to support the rising costs of operations. As highlighted in the table below, Policy Option C would continue the almost doubled General Fund subsidy from previous fiscal years through FY2018. This policy option is a clear statement that solid waste services are in part a General Fund responsibility and property taxes and/or sales taxes should go toward the funding of its operations.

<b>Policy Option C – Summary of Revenue and Expenses (in 000s)</b>							
<b>Description</b>	<b>Actual</b>			<b>Projected</b>			
	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Revenue</b>							
Curbside Rate Revenue	\$4,284	\$4,725	\$4,833	\$4,833	\$4,833	\$4,881	\$4,881
Bulky/Brush Revenue	\$29	\$24	\$26	\$26	\$26	\$27	\$27
General Fund Contribution	\$1,500	\$1,304	\$2,556	\$2,261	\$2,586	\$2,409	\$1,825
Other Revenue	\$255	\$166	\$212	\$213	\$213	\$214	\$215
<b>Total Revenue</b>	<b>\$6,068</b>	<b>\$6,219</b>	<b>\$7,627</b>	<b>\$7,333</b>	<b>\$7,658</b>	<b>\$7,531</b>	<b>\$6,948</b>
<b>Expenses</b>							
Labor and Labor-related	\$3,343	\$3,482	\$3,848	\$3,542	\$3,600	\$3,644	\$3,687
Materials and Supplies	\$2,467	\$2,197	\$2,464	\$2,474	\$2,546	\$2,608	\$2,670
Debt Service	\$37	\$791	\$1,074	\$1,074	\$1,266	\$1,032	\$341
Transfers	\$209	\$240	\$240	\$242	\$245	\$247	\$250
<b>Total Expenses</b>	<b>\$6,056</b>	<b>\$6,710</b>	<b>\$7,626</b>	<b>\$7,332</b>	<b>\$7,657</b>	<b>\$7,531</b>	<b>\$6,948</b>
<b>Surplus/(Shortfall)</b>	<b>\$12</b>	<b>-\$491</b>	<b>\$1</b>	<b>\$1</b>	<b>\$1</b>	<b>\$0</b>	<b>\$0</b>

**COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED:** Lengthy research, public discussions, citizen surveys (almost 800 citizen responses), interactive focus group sessions with landlords and the general public, and seven presentations to Council regarding the status of the Solid Waste Program Analysis has occurred over the past year regarding the full range of refuse services.

**FINANCIAL IMPACT:** Historically, the General Fund (or taxpayer) has subsidized the City's refuse operations. Initially, the subsidy was 100 percent. The City did not establish a fee until 2004. The subsidy for FY14 is projected to be 33 percent. **The City will continue to analyze this Fund since a 33 percent subsidy represents a total \$2.6 million loss in uncovered costs. In FY14 the budgeted General Fund subsidy or transfer is \$1,304,000 and is in addition to the depletion of the Solid Waste Fund balance of \$1,251,246. It is projected that by the end of FY14, the Solid Waste Fund will not have any fund balance.**

Respectfully submitted for Council consideration.

Prepared by: Alex McElroy, Assistant to the City Manager

Reviewed by Finance: Chris Tomerlin, Budget Analyst

Legal Review by: Rosalee Dodson, Assistant Corporation Counsel

Recommended by:

David A. Hales, City Manager

**Attachments:** Attachment 1. Ordinance Option #1  
Attachment 2. Ordinance Option #2  
Attachment 3. Council Comments  
Attachment 4. Raftelis Financial Analysis  
Attachment 5. Scenarios  
Attachment 6. Contributory Report  
Attachment 7. Income Guidelines and Exhibits



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Motion: Recommended that the Text Amendment to Sections 300.7 and 301.6 and addition of Sections 301.7 and 301.8 to Chapter 21 of the Bloomington City Code be approved and the Ordinance passed.

Motion: \_\_\_\_\_ Seconded by: \_\_\_\_\_

	Aye	Nay	Other		Aye	Nay	Other
Alderman Black				Alderman Mwilambwe			
Alderman Fazzini				Alderman Sage			
Alderman Fruin				Alderman Schmidt			
Alderman Lower				Alderman Stearns			
Alderman McDade							
				Mayor Renner			

ORDINANCE 2013 - \_\_\_\_\_

**AN ORDINANCE AMENDING CHAPTER 21 OF THE BLOOMINGTON CITY CODE  
RELATING TO REFUSE SERVICES**

BE IT ORDAINED BY THE CITY COUNCIL  
OF THE CITY OF BLOOMINGTON, ILLINOIS:

SECTION 1. That Sections 300.7 and 301.6 of Chapter 21 of the Bloomington City Code, 1960, as amended, be further amended as follows (additions are indicated by underlines; deletions indicated by strikeouts):

**Section 300.7: Bulk Waste Collection.**

Bulk waste and building waste may be collected by the City under rules established by the Director of Public Works and approved by the City Manager, but only with respect to bulk waste or building waste generated or created by the occupant or owner of residential property, with proper permits, as needed. The City will not collect bulk waste or building waste generated or created by any contractor, subcontractor or other person for hire and/or bartering. The City will not collect any sod, concrete, bricks or shingles unless the resident who participates in the bulk waste collection program requests a pickup of such sod, concrete, bricks or shingles. After such a request is made, the City will pick up such sod, concrete, or shingles and will charge the resident for the actual cost of the pickup and disposal of such material ~~for anything beyond thirty five pounds of material.~~ The City will charge the resident twenty-five dollars (\$25.00) per loader bucket for all bulk waste collection. The City may, at its discretion, collect bulk waste items placed outside of the loader bucket if a front-end loader is not required for collection. If a front-end loader is required for collection, the City will charge the resident twenty-five dollars (\$25.00) per loader bucket. The determination by the City of whether a front-end loader is required shall be final. The City will charge the resident twenty-five dollars (\$25.00) per loader bucket for brush waste collection, in excess of two (2) loader buckets per week. The determination by the City of the weight of the material shall be final. The volume limit on regular bulk waste items (excluding sod, concrete, bricks or shingles) will be two loader buckets per week. The City will charge the resident twenty five (\$25.00) dollars per loader bucket for anything over two loader buckets per week.

**Section 301.6: Refuse Fee.**

Effective May 4, 2012, there shall be a charge for refuse collection of refuse to the owner and/or occupant of every dwelling unit for which refuse service is actually provided by the City. Such fee shall be in the amount of sixteen dollars (\$16.00) per month per single family dwelling and sixteen dollars (\$16.00) per month for each unit in a two family or multi-family dwelling. Effective May 1, 2014, for a single family dwelling and for each unit in a two family or multi-family dwelling, such fee shall be based on the size of the refuse cart as follows:

sixteen dollars (\$16.00) per month, per single family dwelling and for each unit in a two family or multi-family dwelling for one 35-gallon refuse cart; eighteen dollars (\$18.00) per month, per single family dwelling and for each unit in a two family or multi-family dwelling for one 65-gallon refuse cart; and twenty dollars (\$20.00) per month, per single family dwelling and for each unit in a two family or multi-family dwelling for a 95-gallon refuse cart. Effective May 1, 2015, such fee shall be in the amount of eighteen dollars (\$18.00) per month, per single family dwelling and for each unit in a two family or multi-family dwelling for one 35-gallon refuse cart; twenty dollars (\$20.00) per month, per single family dwelling and for each unit in a two family or multi-family dwelling for one 65-gallon refuse cart; and twenty-two dollars (\$22.00) per month, per single family dwelling and for each unit in a two family or multi-family dwelling for one 95-gallon refuse cart. Effective May 1, 2017, such fee shall be in the amount of nineteen dollars (\$19.00) per month, per single family dwelling and for each unit in a two family or multi-family dwelling for one 35-gallon refuse cart; twenty-one dollars (\$21.00) per month, per single family dwelling and for each unit in a two family or multi-family dwelling for one 65-gallon refuse cart; and twenty-three dollars (\$23.00) per month, per single family dwelling and for each unit in a two family or multi-family dwelling for one 95-gallon refuse cart.

The refuse fee shall be payable on a monthly basis. There shall be a thirty dollar (\$30.00) fee for all requests to change cart sizes. Failure to pay the fee upon billing by the City may result, at the City's option, in the placement of a lien against the real estate or may result in the filing of a complaint in Circuit Court seeking a personal judgment against the owner or persons interested in the property subject to such refuse fee, termination of refuse services ~~ser-vices~~, termination of water service or other remedies. The election of a particular remedy shall not constitute a waiver of any other remedy available to the City for collection of the refuse fee.

The owner of the dwelling unit, the occupant thereof and the user of the services shall be jointly and severally liable to pay such refuse fee and the services are furnished to the dwelling unit by the City only on the condition that the owner of the dwelling unit, occupant thereof and user of the refuse service are jointly and severally liable. The refuse fee for such refuse collection shall be paid in advance, for which the City of Bloomington shall provide refuse collection service ~~ser-vice~~ to the dwelling unit at least once each week.

SECTION 2. That the Bloomington City Code, as amended, be further amended by adding Sections 301.7 and 301.8 to Chapter 21 as follows:

**Section 301.7: Pay As You Throw Refuse Sticker.**

An owner and/or occupant of a dwelling unit for which refuse service is provided by the City may purchase a refuse sticker in the amount of three dollars (\$3.00) to pay for overflow bags of refuse set outside the automated refuse carts. These stickers shall be sold at designated locations to be determined by the City.

**Section 301.8: Low-Income Refuse Fee Discount.**

The City may offer a discounted rate for refuse collection based on an individual's income. The qualifying criteria for this discount shall be based on the federal poverty guidelines as provided

in the *Federal Register* issued by the U.S. Department of Health and Human Services each year. Effective May 1, 2014, an owner and/or occupant of a dwelling unit for which refuse service is provided by the City, whose income level falls within the poverty guidelines, shall pay a fee in the amount of sixteen dollars (\$16.00) per month, per single family dwelling.

SECTION 3. Except as provided herein, the Bloomington City Code, 1960, as amended shall remain in full force and effect.

SECTION 4. The City Clerk is hereby authorized to publish this ordinance in pamphlet form as provided by law.

SECTION 5. This ordinance shall be effective ten (10) days after the date of its publication.

SECTION 6. This ordinance is passed and approved pursuant to the home rule authority granted Article VII, Section 6 of the 1970 Illinois Constitution.

PASSED this \_\_\_\_\_ day of November, 2013.

APPROVED this \_\_\_\_\_ day of November, 2013.

APPROVED:

Terri Renner  
Mayor

ATTEST:

Tracey Covert  
City Clerk

ORDINANCE 2013 - \_\_\_\_\_

AN ORDINANCE AMENDING CHAPTER 21 OF THE BLOOMINGTON CITY CODE  
RELATING TO REFUSE SERVICES

BE IT ORDAINED BY THE CITY COUNCIL  
OF THE CITY OF BLOOMINGTON, ILLINOIS:

SECTION 1. That Section 301.6 of Chapter 21 of the Bloomington City Code, 1960, as amended, be further amended as follows (additions are indicated by underlines; deletions indicated by strikeouts):

**Section 301.6: Refuse Fee.**

Effective May 4, 2012, there shall be a charge for refuse collection of refuse to the owner and/or occupant of every dwelling unit for which refuse service is actually provided by the City. Such fee shall be in the amount of sixteen dollars (\$16.00) per month per single family dwelling and sixteen dollars (\$16.00) per month for each unit in a two family or multi-family dwelling. Effective May 1, 2014, for single family dwellings, such fee shall be in the amount of twenty-five dollars (\$25.00) per month per single family dwelling. Such fee for a two family or multi-family dwelling shall remain in the amount of sixteen dollars (\$16.00) per month for each unit. The refuse fee shall be payable on a monthly basis. Failure to pay the fee upon billing by the City may result, at the City's option, in the placement of a lien against the real estate or may result in the filing of a complaint in Circuit Court seeking a personal judgment against the owner or persons interested in the property subject to such refuse fee, termination of refuse services, termination of water service or other remedies. The election of a particular remedy shall not constitute a waiver of any other remedy available to the City for collection of the refuse fee.

The owner of the dwelling unit, the occupant thereof and the user of the services shall be jointly and severally liable to pay such refuse fee and the services are furnished to the dwelling unit by the City only on the condition that the owner of the dwelling unit, occupant thereof and user of the refuse service are jointly and severally liable. The refuse fee for such refuse collection shall be paid in advance, for which the City of Bloomington shall provide refuse collection service to the dwelling unit at least once each week.

SECTION 2. Except as provided herein, the Bloomington City Code, 1960, as amended shall remain in full force and effect.

SECTION 3. The City Clerk is hereby authorized to publish this ordinance in pamphlet form as provided by law.

SECTION 4. This ordinance shall be effective ten (10) days after the date of its publication.

SECTION 5. This ordinance is passed and approved pursuant to the home rule authority granted Article VII, Section 6 of the 1970 Illinois Constitution.

PASSED this \_\_\_\_\_ day of November, 2013.

APPROVED this \_\_\_\_\_ day of November, 2013.

APPROVED:

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Tari Renner, Mayor

ATTEST:

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Tracey Covert, City Clerk

**Recommended Solid Waste Fee Increase – Council Feedback**

On Friday, November 15<sup>th</sup>, David Hales asked the Mayor and Council to get into him their feedback on the Recommended Solid Waste Fee increase by 5:00pm, Monday, November 18<sup>th</sup>.

Responses:

Tari Renner	
Kevin Lower	<p>After many hours of recent contemplation with many of my constituents and other citizens of our city. I am in agreement with several of the other aldermen. It is very important to attempt to allocate the expense properly among the end users of these services. It would seem therefore that the graduated fee system depending on size would be most fair. It is however important to the program, that we properly price point the size we would like to encourage most to order and use. I would suggest this container to be the size offered that would most closely match the current rate. I would hope we could offer this rate for several years with out again having to raise the rate again.</p> <p>The feeling is that landscape waste should be picked up at no additional fee but that we could offer this only on a monthly basis and at other times on a pay as you place basis for large amounts. My thought here is that we offer this in quarters of the city on a rotational basis so that everyone is served once per month.</p> <p>On other bulk waste we should consider a pay as you place basis so as to properly allocate the expense to the end user in a manner that most would not be tempted to dump in other areas. We could consider a monthly rotational basis on this as well</p>
Dave Sage	<ul style="list-style-type: none"> <li>• Solid waste fee structure should support the principle of paying for the level city service used.</li> <li>• My assumption is the no-cost drop-off facility remains open, with reduced service level of shorter open hours.</li> <li>• What is the proposed service level and fee structure for:             <ul style="list-style-type: none"> <li>○ Downtown?</li> <li>○ Mobile home courts?</li> <li>○ Small multi-unit rental properties?</li> </ul> </li> </ul> <p>Schmidt: For trash and recycle, I would like to see us keep the 35 gallon refuse cart and 65-gal bi-weekly recycle at \$16. No change or ramping up cost over the next few years Agree, with 65- and 95- gallon users pay proportionally more for their service usage. - if we can figure out how to do this, I'd like to see it lowered to \$15 or \$14. Sage: okay with holding at \$16.</p> <p>Schmidt: This reflects the incentive to reduce garbage: the bigger the can, the more people pay. I know this impacts larger families; they won't be thrilled. But if our fees also provide incentive to recycle instead of tossing garbage, that provides another opportunity for larger family groups to reduce trash. Sage: Offer Pay As You Throw (PAYT) but consider having this purchased bag priced to reflect the actual cost, which may be higher than the proposed \$3</p> <p>Schmidt: If people want another recycling bin, I am okay with charging for the cost of that additional bin. I recognize that the recommendation we received gives that second cart for free, but we should consider passing the initial acquisition cost along to the resident/property owner; no additional cost for picking up more recycling. Sage: Agree</p>

	<p>Schmidt: Bulk waste could go to 2 times per year and these 2 times included in the annualized cost, with an announced schedule. For example, neighborhood X has first week in May and first week in November for bulk waste. Over 2 buckets at these times, \$25/bucket. <b>Sage: Agree</b></p> <p>Schmidt: Extra pick-ups throughout the year can be scheduled by calling, and property owner pays (extra cost for the privilege) for it. Can we charge a fee for these additional pick-ups that is less than a dumpster, thus providing the incentive to call the city? If someone dumps without calling, can we charge for pick up? No charge if someone brings bulk waste to our yard. I am thinking about this as a landlord - if I have a clean-out that puts stuff on our streets I would be happy to pay, and if I abuse the system or my tenant dumps without my knowledge, I should pay. <b>Sage: Agree</b></p> <p>Schmidt: Yard waste is simply going to happen and we want to encourage this kind of property maintenance. People ask me how the city would ever know if the tree limb can from a back yard or a parkway tree. Can we do this pick-up monthly? <b>Sage: Agree. And I see where Normal is considering "eliminating leaf collection, reducing brush and bulk waste collection to once per month."</b> <i>Current annual leaf collection stays as is.</i></p> <p>Schmidt: Again, kudos to Alex and others for their excellent work on pulling the proposal together. <b>Sage: Whole heartedly agree!</b></p>
Mboka Mwilambwe	
Judy Stearns	
Jennifer McDade	<p>Continue to incentivize recycling. Providing another tote at no charge to high users--charging for waste PAYT</p> <p>No charge for yard waste. In all neighborhoods, especially older neighborhoods with a multitude of trees, etc., people need to be able to spend a weekend in the yard cleaning up and dispose of the brush. I understand leaves are no charge, but it sounded like limbs and yard waste are not included in that. Consider 2 weeks in the early fall--2 weeks in the early spring with no charge for pickup of these items. Publicize this widely.</p> <p>PAYT--yes! People want this. However we need to accomplish it. Keep costs adjusted to what people actually throw away.</p> <p>To that point about PAYT, people don't understand that we want this to be a self-supporting enterprise fund. They think their tax dollars should subsidize this just as their dollars subsidize many other services. Here's what's significant, I think, if it is an enterprise fund, people are paying for what THEY USE and ONLY that. Not subsidizing others' use. If they are subsidizing others, then how is this truly an enterprise fund? I understand the administrative costs and time involved. But if we will continue to provide this service to citizens but as an enterprise fund, we have to drill down as best we can to the real cost for each residence.</p> <p>Need an option for seniors--although a PAYT may work for some since they may have fewer people in their households</p> <p>And if we keep providing service to rental (however we define that), they should be on the same requirements as single family residents. People I am hearing from are sensitive</p>



	<p>to this.</p> <p>I know this decision point has been building for several years. I truly appreciate the work that has been done. We have made some progress but I think there is more yet to be done.</p> <p>To me, the priority should be on</p> <ul style="list-style-type: none"> <li>-Incentivizing recycling (in addn to the extra tote, what else can be done)</li> <li>-PAYT (as true as possible to the cost per residence)</li> <li>-Brush pick up, at least twice no charge during high volume yard clean up times; and always available no charge at drop off facility.</li> </ul>
<p>Karen Schmidt</p>	<p>I sent comments earlier about our solid waste fees, but have some modifications based on additional feedback from residents and discussions with other aldermen about what they are hearing. I am pasting my initial e-mail below the following comments.</p> <p>As others have noted, we need to separate out the different components: trash &amp; recycle, bulk waste, yard waste.</p> <p>For trash and recycle, I would like to see us keep the 35 gallon trash cart at \$16. No change or ramping up cost over the next few years - if we can figure out how to do this, I'd like to see it lowered to \$15 or \$14. This reflects the incentive to reduce garbage: the bigger the can, the more people pay. I know this impacts larger families; they won't be thrilled. But if our fees also provide incentive to recycle instead of tossing garbage, that provides another opportunity for larger family groups to reduce trash.</p> <p>If people want another recycling bin, I am okay with charging for the cost of that additional bin. I recognize that the recommendation we received gives that second cart for free, but we should consider passing the initial acquisition cost along to the resident/property owner; no additional cost for picking up more recycling.</p> <p>Bulk waste could go to 2 times per year and these 2 times included in the annualized cost, with an announced schedule. For example, neighborhood X has first week in May and first week in November for bulk waste. Over 2 buckets at these times, \$25/bucket. Extra pick-ups throughout the year can be scheduled by calling, and property owner pays (extra cost for the privilege) for it. Can we charge a fee for these additional pick-ups that is less than a dumpster, thus providing the incentive to call the city? If someone dumps without calling, can we charge for pick up? No charge if someone brings bulk waste to our yard. I am thinking about this as a landlord - if I have a clean-out that puts stuff on our streets I would be happy to pay, and if I abuse the system or my tenant dumps without my knowledge, I should pay.</p> <p>Yard waste is simply going to happen and we want to encourage this kind of property maintenance. People ask me how the city would ever know if the tree limb can from a back yard or a parkway tree. Can we do this pick-up monthly?</p> <p>I will make a pitch again for figuring out some way to address downtown residents' needs.</p> <p>Again, kudos to Alex and others for their excellent work on pulling the proposal together.</p>

	<p>***</p> <p>original feedback:</p> <p>I am sure all of us are receiving a lot of feedback on the proposed changes to the solid waste program. In my ward, I am receiving feedback asking us to hold the line on any increases, and to rethink the bulk waste changes.</p> <p>Residents do not understand that we have moved solid waste from a subsidized program to an enterprise fund. There is no information about the long-range savings that our shift to new equipment will bring to the city. I am getting questions about why we have purchased new equipment without clearly spelling out the increases in fees to residents. People don't like what they see in their water bills, where these charges accumulate, and they are looking negatively at additional increases.</p> <p>I have heard no support for the proposed payment for bulk waste, but I do hear support for this as a service the city provides on a more controlled basis (once a month, twice a year, etc.) At minimum, if we are going to charge, residents want landlords charged as the most likely to produce bulk waste (and as a landlord, I agree.)</p> <p>People love Pay As You Throw as a concept, which does not fit into our automated collection system. I have not talked to anyone who wants to pay more when they are tossing out less; recycling is working, so that's a good thing. Senior citizens are especially upset with any proposed increases, as their income is basically set and not increasing.</p> <p>So, in the spirit of trying to provide some feedback, here are my initial thoughts:</p> <p>if we have to increase costs, the middle transition plan for cost increases for weekly garbage collection seems to work overall (the one that is recommended by staff)</p> <p>we have to rethink bulk waste costs and collection - so far no one has supported the \$25/collection proposal. We cannot charge people who bring bulk and yard waste to the city facility. I cannot support this, when people choose to provide sweat equity and gas to cleaning up their property</p> <p>can we provide a price break for seniors? if someone has a senior property tax exemption on their residence, can we keep their cost at \$16/month, for a 35 gallon container. This would be an addition to the low-income resident support that we discussed. I like Scott's suggestion of rounding-up as a means to support the low-income program.</p> <p>Because of the media discussion that has generated more interest, we could benefit from another work session on this. It bothers me that we have a work session, ask ourselves for immediate feedback, and then media coverage provides the avenue for more resident feedback. We cannot represent our citizens without some lead time.</p>
Scott Black	<ol style="list-style-type: none"> <li>1) I don't think anyone wants to see a cut in service</li> <li>2) I think PAYT is the correct way to go</li> <li>3) We should incentivize smaller carts</li> <li>4) We need to be very clear (the Mayor and Council) that if fees go up (which they</li> </ol>

	<p>likely will) it's in response to the idea that the vast majority of feedback is that people want to keep our high level of service. I wouldn't support more than a minor increase in fees, but would prefer to see us subsidize the program.</p> <p>Other comments:</p> <p>1) We should be creative with ensuring people who aren't "put out" by automation. I'm thinking this can be done by closing parking on the streets certain days of the week to avoid this problem. While this might create an enforcement challenge, we might be able to get some revenue.</p> <p>2) I like the idea that if someone has bulk wastes and takes it to a drop off facility, they aren't charged for it. I think this might avoid illegal dumping</p> <p>3) I think any illegal dumping should have a massive increase in fines – perhaps double or triple the current fines. While I'm not suggesting that we will be any more people caught illegally dumping, it sends a clear message that we are adamantly opposed to such activities.</p> <p>4) Also, I think we need to shorten the time limits for how long someone can leave their garbage at the curb. I think it makes neighborhoods look very sloppy when garbage is left sitting out for more than 48 hours. This will give us a mechanism to get some revenue for violators plus make our neighborhood cleaner.</p> <p>5) I'd like to see the feasibility of a "round-up" program on the water bill where people can opt to round up their water bill to the nearest dollar and those funds go into a program to help low income people offset any fee increases.</p>
<p>Rob Fazzini</p>	<p>In the Solid Waste Variable Fee Structure Analysis presented earlier today, the \$2 differential for the three sizes of carts roughly follows the logic and math presented below for the number of carts. I would suggest that the differential for cart size should be even less than that for the number of carts picked up at any one residence, however. With that in mind, I would propose we consider a \$1 per cart size increase rather than the \$2 per cart size increase.</p>
<p>Jim Fruin</p>	<p>I will need to work on some added response to David sometime tomorrow, but as I mentioned to him previously, it will be close to the earlier Staff recommendation. I want to support their extensive research over the last year or more, to include the multiple forums of public input they received.</p> <p>It is not a topic that will provide unanimous Council opinion, but hopefully David can find some commonality in our responses and we can move forward to get something implemented.</p> <p>One of my messages to David will be that it has to be as seamless as possible, efficient to administer and not create additional staff work to monitor.</p> <ol style="list-style-type: none"> <li>1. Adopt a new variable rate structure for solid waste collection services. <b>Yes</b></li> <li>2. Consider strongly Scenario 2 Medium Transition Alternative. <b>Yes</b></li> <li>3. Begin charging for all bulky item collections at \$25.00 per bucket load. <b>Yes</b></li> <li>4. Provide customers, upon request, with a second recycle cart at no</li> </ol>

charge. **Yes**

5. Implement a Pay As You Throw (PAYT) refuse sticker program to complement the automated cart system. **Yes**

Supports the Medium transition Scenario. Must be introduced with an effective education campaign.



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October 8, 2013

David A. Hales  
City Manager  
City of Bloomington  
109 E. Olive Street  
Bloomington, Illinois 61701

### **Financial Analysis Related to Solid Waste Program**

Dear Mr. Hales:

As you requested, we have prepared this report of our financial analysis related to the City's solid waste program. This report describes our findings, recommends a new rate structure, and offers three alternative rate adjustment scenarios. Our findings and recommendations are based on our review of the 'Solid Waste Analysis – Final Draft Report' dated July 22, 2013, our review of the City's budget, and our discussions with City staff.

#### **Findings**

- 1. The City's current rate structure sends faulty pricing signals to residents. As a result, the current rate structure: 1) does not give customers an incentive to conserve resources, 2) leads the City toward inefficient collection methods, and, 3) creates inequity among customers.**

Under the City's current rate structure, all single-family residents pay \$16.00 per month to receive regular weekly unlimited manual collection of refuse, and every-other-week automated collection of recyclables. Residents are also offered curbside collection of brush and bulky waste on a weekly basis on the same day as their refuse collection.

For collection of brush and/or bulky waste, residents are allowed to dispose of two loader buckets of brush or bulky waste per week at no charge. Residents are charged \$25.00 per loader bucket for any waste in excess of the two buckets per week.

The City provides regularly scheduled curbside collection of refuse and recyclables using rear loaders with three person crews (a driver, and two helpers). The City provides brush and bulky waste collection using three each five-person crews (one operator, three truck drivers, and one laborer).

According to a survey conducted by the City, an overwhelming majority of customers typically request bulky item collection only once per month or less. Below in Table 1, we compare the revenue per ton and the cost per ton of bulky waste collection and regular curbside collection.

<b>Table 1 - Comparison between Bulky and Regular Curbside Collection</b>		
<b>Description</b>	<b>Bulky Collection</b>	<b>Regular Curbside Collection</b>
<b>Rate Revenue per Ton</b>		
Annual Rate Revenue	\$25,000	\$4,725,000
Annual Tons - Curbside (a)	3,445	17,705
Rate Revenue per Ton	\$7.26	\$266.87
<b>Operating Cost per Ton</b>		
Annual Operating Cost	\$3,436,000	\$1,462,000
Annual Tons - Curbside (a)	3,445	17,705
Operating Cost per Ton Collected	\$997.39	\$82.58
(a) From pg. 13 of SW Analysis report; excludes drop off tons.		

Table 1 shows that, on a per-ton basis, bulky collection service is far more expensive to provide, and generates significantly less revenue per ton compared to regular curbside service.

Because the first two loader buckets per week are free, there is less incentive for customers to containerize their trash, even when it may be feasible to do so, and set it out for collection in such a manner that it can be more efficiently collected by the City. As a result, the City spends more time collecting bulky waste than it might otherwise if customers were required to pay a fee each time they placed an order for on-call bulky collection service. In addition, customers who more often containerize their waste for efficient collection are subsidizing the cost of collection for those customers who more frequently use bulky collection service.

**2. Without significant reductions in its current operating costs, the structural deficit in the Solid Waste Enterprise Fund is projected to be significantly greater than in recent years.**

Since its inception in FY 2011, the customer rate revenues in the City's Solid Waste Enterprise Fund have not been sufficient to cover its operating expenditures. As a result, the City has subsidized the Solid Waste Enterprise Fund with contributions from the General Fund. The Solid Waste Enterprise Fund's historical and projected revenues and expenditures are shown on the following page in Table 3.

Table 3 shows that the amount of the General Fund contribution was approximately \$1.5 million and \$1.3 million in the fiscal years ended April 30, 2012 and 2013, respectively. However, in FY 2013, the amount of the General Fund contribution was not enough to cover the entire shortfall. As a result, notwithstanding the General Fund contribution, the Solid Waste Enterprise Fund realized a shortfall of approximately \$491,000 in FY 2013.

Description	Actual		Projected				
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
<b>Revenue</b>							
Curbside Rate Revenue	\$ 4,284	\$ 4,725	\$ 4,833	\$ 4,833	\$ 4,833	\$ 4,881	\$ 4,881
Bulky/Brush Revenue	\$ 29	\$ 24	\$ 26	\$ 26	\$ 26	\$ 27	\$ 27
General Fund Contribution	\$ 1,500	\$ 1,304	\$ 2,556	\$ 2,261	\$ 2,586	\$ 2,409	\$ 1,825
Other Revenue	255	166	212	213	213	214	215
<b>Total Revenue</b>	<b>\$ 6,068</b>	<b>\$ 6,219</b>	<b>\$ 7,627</b>	<b>\$ 7,333</b>	<b>\$ 7,658</b>	<b>\$ 7,531</b>	<b>\$ 6,948</b>
<b>Expenses</b>							
Labor and Labor-related	\$ 3,343	\$ 3,482	\$ 3,848	\$ 3,542	\$ 3,600	\$ 3,644	\$ 3,687
Materials and Supplies	\$ 2,467	\$ 2,197	\$ 2,464	\$ 2,474	\$ 2,546	\$ 2,608	\$ 2,670
Debt Service	\$ 37	\$ 791	\$ 1,074	\$ 1,074	\$ 1,266	\$ 1,032	\$ 341
Transfers	\$ 209	\$ 240	\$ 240	\$ 242	\$ 245	\$ 247	\$ 250
<b>Total Expenses</b>	<b>6,056</b>	<b>6,710</b>	<b>7,626</b>	<b>7,332</b>	<b>7,657</b>	<b>7,531</b>	<b>6,948</b>
Surplus/(Shortfall)	12	(491)	1	1	1	0	0

Based on our review of the City's budget projections, we found that the City's expenditures in the solid waste fund are expected to rise significantly in the current fiscal year (FY 2014). Although the City's expenditures are expected to decrease somewhat in FY 2015, they are expected to remain at these current higher levels in fiscal years 2016 and 2017. Although we have not performed a detailed review of the City's cost structure, it appears that these increases are primarily due to the purchase of trucks and containers for the City's automated collection system.

Table 3 shows that the contribution amount from the General Fund needed to balance the budget in the solid waste fund in FY 2014 is projected to be approximately \$2.6 million, and that General Fund contributions of similar magnitude will be required through FY 2017.



## **Recommended Changes to Rates and Service Levels**

Our recommendations are as follows:

### **1. Begin charging for all bulky item collections.**

We recommend that the City charge \$25.00 for each bucket load of bulky waste. This charge will not cover the actual cost of service. However, it will give customers more of an incentive to containerize more of their waste so that it can be collected more efficiently. While a subsidy among customers will continue to exist, it will be less than the current rate structure.

### **2. Implement a variable rate structure for automated cart service.**

We recommend that, in conjunction with the rollout of the automated cart service for refuse collection, the City implement a variable rate structure. This will provide customers with an incentive to divert more material into their recyclables carts, and reduce the amount of waste landfilled. We have developed specific variable rates for three different scenarios. These are described further below and included as attachments to this report.

### **3. Provide customers, upon request, with a second recycle cart at no charge.**

The current policy of requiring customers who want a second recycling cart to purchase carts at a cost of \$60.00 per unit deters customers from taking an additional recycle cart and diverting more of their waste from the landfill. Offering a second recycling cart at no charge is appropriate especially given the City's every-other-week schedule for collecting recyclables.

We believe providing recyclable collection every-other-week is an efficient approach (as opposed to weekly collection of recyclables). Providing customers with an additional recycling cart at no charge would give customers the option of having more capacity to store more recyclables over the two week period between pickups. This enables the City to more efficiently collect more recyclables on a per-stop basis.

Two 95-gallon recycling carts should be adequate for most customers. For customers that desire a three or more recycling carts, we recommend a modest charge of \$2.00 per cart per month to deter customers from taking carts they may not use.

**4. Implement a Pay As You Throw (PAYT) refuse sticker program to complement the automated cart system.**

We recommend that the City implement a refuse sticker program to complement the automated cart system. The stickers would be used by customers to pay for overflow bags of refuse set outside the automated carts. This would give customers a further pricing signal to containerize more of their waste, and more of an incentive to divert more material into their recycling carts. It would also give them the flexibility to occasionally set bags outside the automated carts. We recommend that the value of the stickers be \$3.00.

The stickers would be printed by the City and offered for sale to residents at various retail outlets in the City (supermarkets, hardware stores, garden centers, etc.). At the rollout of the program, the City should consider providing all residents with a complimentary 'starter pack' of perhaps six to twelve stickers for the first year of the program.

**5. Wait on implementing a new policy for servicing multi-family customers.**

We recommend that the City consider holding off on giving up any multi-family customers until it has been able to assess the productivity savings from the automated collection system. It would not be prudent for the City to give up a portion of its business only to find that it had excess capacity in its system resulting from the productivity improvements of automated collection.

## **Alternative Rate Adjustment Scenarios**

We have designed variable refuse rates for three different scenarios. For each scenario, the impact on customers, and the impact on the City's budget, are summarized in the three attachments. Each scenario depends upon how quickly the City desires for the Solid Waste Enterprise Fund to transition to a balanced budget, and end the contributions from the General Fund.

### **Scenario 1 – Fast Transition**

Under Scenario 1, the fastest scenario, the Solid Waste Enterprise Fund would only require a contribution from the General Fund of \$150,000 in FY 2015 and achieve a balanced budget by FY 2016. However, this scenario would require a rate increase for most customers of approximately 44% effective May 1, 2014, followed by about a 4% increase on May 1, 2015.<sup>1</sup>

### **Scenario 2 – Medium Transition**

Under Scenario 2, the medium scenario, the Solid Waste Enterprise Fund would require contributions from the General Fund of \$1,075,000, \$625,000, and \$500,000 in fiscal years 2015, 2016, and 2017, respectively. Under this scenario, the Solid Waste Enterprise Fund would achieve a balanced budget by FY 2018. However, this scenario would require a rate increases for most customers of approximately 25% effective May 1, 2014, followed by about a 10% increase on May 1, 2015.

### **Scenario 3 – Slow Transition**

Under Scenario 3, the slow scenario, the Solid Waste Enterprise Fund would require contributions from the General Fund of \$1,600,000, \$950,000, and \$500,000 in fiscal years 2015, 2016, and 2017, respectively. Under this scenario, the Solid Waste

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<sup>1</sup> The scenarios are based on the assumption that rates are adjusted at the beginning of the fiscal year. If rates are adjusted sooner than May 1<sup>st</sup>, the City would generate more revenue and expedite the transition to a balanced budget.

Mr. David A. Hales  
October 8, 2013  
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Enterprise Fund would achieve a balanced budget by FY 2018. However, this scenario would require a rate increases for most customers of approximately 13% effective May 1, 2014, followed by about a 17% increase on May 1, 2015.

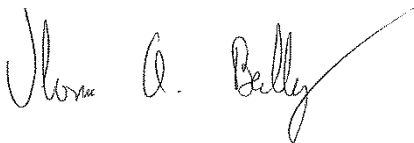
Each of these scenarios is based upon the City's current projected operating results. The City's cost structure may change significantly in the near future, especially considering the transition to automated service, potential changes to multi-family service, and the closure of the McLean County Landfill. As a result, there will likely be differences between the City's projected and actual operating results, and those differences may be material.

\* \* \*

We very much appreciate the opportunity to be of service to the City. If you have any questions or comments or if we can be of further assistance, please feel free to contact me at (816)285-9024 or tbeckley@raftelis.com.

Sincerely,

***RAFTELIS FINANCIAL CONSULTANTS, INC.***



Thomas A. Beckley  
Manager



William G. Stannard  
Chief Executive Officer

**Scenario 1 - Fast Transition to Balanced Budget in Solid Waste Enterprise Fund**

Description	Actual		Projected				
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
<b>Basic Rates for Curbside Service:</b>							
Flat Rate per Home	\$14.00	\$16.00	\$16.00				
1 ea. 35 gallon refuse cart				\$19.00	\$20.00	\$20.00	\$20.00
1 ea. 65 gallon refuse cart				\$21.00	\$22.00	\$22.00	\$22.00
1 ea. 95 gallon refuse cart				\$23.00	\$24.00	\$24.00	\$24.00
Refuse Stickers (for extra bags)				\$3.00	\$3.00	\$3.00	\$3.00
<b>Bulky/Brush Collection:</b>							
Bucket Load Charge	\$25.00	\$25.00	\$25.00				
Bulky/Brush Collection (charge for all Bulky/Brush collections)				\$25.00	\$25.00	\$25.00	\$25.00
<b>Annual Percent Increase:</b>							
Extra 35 gallon refuse cart				18.8%	5.3%	0.0%	0.0%
Extra 65 gallon refuse cart				31.3%	4.8%	0.0%	0.0%
Extra 95 gallon refuse cart				43.8%	4.3%	0.0%	0.0%
<b>Summary of Revenue and Expenses (in 000s)</b>							
<b>Revenue</b>							
Curbside Rate Revenue	\$4,285	\$4,725	\$4,833	\$6,934	\$7,408	\$7,408	\$7,408
Bulky/Brush Revenue	29	24	25	38	38	38	38
General Fund Transfer	1,500	1,304	2,556	150	0	0	0
Other Revenue	255	166	212	213	213	214	215
<b>Total Revenue</b>	<b>\$6,069</b>	<b>\$6,219</b>	<b>\$7,626</b>	<b>\$7,334</b>	<b>\$7,658</b>	<b>\$7,659</b>	<b>\$7,660</b>
<b>Expenses</b>							
Labor and Labor-related	3,343	3,482	3,848	3,542	3,600	3,644	3,687
Materials and Supplies	2,467	2,197	2,464	2,474	2,546	2,608	2,670
Debt Service	37	791	1,074	1,074	1,266	1,032	341
Transfers	209	240	240	242	245	247	250
<b>Total Expenses</b>	<b>6,056</b>	<b>6,710</b>	<b>7,626</b>	<b>7,332</b>	<b>7,657</b>	<b>7,531</b>	<b>6,948</b>
Surplus/(Shortfall)	13	(491)	0	2	1	128	712
Surplus/(Shortfall) as % of Revenue	0.2%	-7.9%	0.0%	0.0%	0.0%	1.7%	9.3%

**Scenario 2 - Medium Transition to Balanced Budget in Solid Waste Enterprise Fund**

Description	Actual		Projected				
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
<b>Basic Rates for Curbside Service:</b>							
Flat Rate per Home	\$14.00	\$16.00	\$16.00				
1 ea. 35 gallon refuse cart				\$16.00	\$18.00	\$18.00	\$19.00
1 ea. 65 gallon refuse cart				\$18.00	\$20.00	\$20.00	\$21.00
1 ea. 95 gallon refuse cart				\$20.00	\$22.00	\$22.00	\$23.00
Refuse Stickers (for extra bags)				\$3.00	\$3.00	\$3.00	\$3.00
<b>Bulky/Brush Collection:</b>							
Bucket Load Charge	\$25.00	\$25.00	\$25.00				
Bulky/Brush Collection (charge for all Bulky/Brush collections)				\$25.00	\$25.00	\$25.00	\$25.00
<b>Annual Percent Increase:</b>							
Extra 35 gallon refuse cart				0.0%	12.5%	0.0%	5.6%
Extra 65 gallon refuse cart				12.5%	11.1%	0.0%	5.0%
Extra 95 gallon refuse cart				25.0%	10.0%	0.0%	4.5%
<b>Summary of Revenue and Expenses (in 000s)</b>							
<b>Revenue</b>							
Curbside Rate Revenue	\$4,285	\$4,725	\$4,833	\$6,007	\$6,781	\$6,781	\$7,084
Bulky/Brush Revenue	29	24	25	38	38	38	38
General Fund Transfer	1,500	1,304	2,556	1,075	625	500	0
Other Revenue	255	166	212	213	213	214	215
<b>Total Revenue</b>	<b>\$6,069</b>	<b>\$6,219</b>	<b>\$7,626</b>	<b>\$7,333</b>	<b>\$7,657</b>	<b>\$7,533</b>	<b>\$7,336</b>
<b>Expenses</b>							
Labor and Labor-related	3,343	3,482	3,848	3,542	3,600	3,644	3,687
Materials and Supplies	2,467	2,197	2,464	2,474	2,546	2,608	2,670
Debt Service	37	791	1,074	1,074	1,266	1,032	341
Transfers	209	240	240	242	245	247	250
<b>Total Expenses</b>	<b>6,056</b>	<b>6,710</b>	<b>7,626</b>	<b>7,332</b>	<b>7,657</b>	<b>7,531</b>	<b>6,948</b>
Surplus/(Shortfall)	13	(491)	0	1	0	2	388
Surplus/(Shortfall) as % of Revenue	0.2%	-7.9%	0.0%	0.0%	0.0%	0.0%	5.3%

**Scenario 3 - Slow Transition to Balanced Budget in Solid Waste Enterprise Fund**

Description	Actual		Projected				
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
<b>Basic Rates for Curbside Service:</b>							
Flat Rate per Home	\$14.00	\$16.00	\$16.00				
1 ea. 35 gallon refuse cart				\$16.00	\$17.00	\$18.00	\$19.00
1 ea. 65 gallon refuse cart				\$17.00	\$19.00	\$20.00	\$21.00
1 ea. 95 gallon refuse cart				\$18.00	\$21.00	\$22.00	\$23.00
Refuse Stickers (for extra bags)				\$3.00	\$3.00	\$3.00	\$3.00
<b>Bulky/Brush Collection:</b>							
Bucket Load Charge	\$25.00	\$25.00	\$25.00				
Bulky/Brush Collection (charge for all Bulky/Brush collections)				\$25.00	\$25.00	\$25.00	\$25.00
<b>Annual Percent Increase:</b>							
Extra 35 gallon refuse cart				0.0%	6.3%	5.9%	5.6%
Extra 65 gallon refuse cart				6.3%	11.8%	5.3%	5.0%
Extra 95 gallon refuse cart				12.5%	16.7%	4.8%	4.5%
<b>Summary of Revenue and Expenses (in 000s)</b>							
<b>Revenue</b>							
Curbside Rate Revenue	\$4,285	\$4,725	\$4,833	\$5,483	\$6,463	\$6,781	\$7,084
Bulky/Brush Revenue	29	24	25	38	38	38	38
General Fund Transfer	1,500	1,304	2,556	1,600	950	500	0
Other Revenue	255	166	212	213	213	214	215
<b>Total Revenue</b>	<b>\$6,069</b>	<b>\$6,219</b>	<b>\$7,626</b>	<b>\$7,333</b>	<b>\$7,664</b>	<b>\$7,533</b>	<b>\$7,336</b>
<b>Expenses</b>							
Labor and Labor-related	3,343	3,482	3,848	3,542	3,600	3,644	3,687
Materials and Supplies	2,467	2,197	2,464	2,474	2,546	2,608	2,670
Debt Service	37	791	1,074	1,074	1,266	1,032	341
Transfers	209	240	240	242	245	247	250
<b>Total Expenses</b>	<b>6,056</b>	<b>6,710</b>	<b>7,626</b>	<b>7,332</b>	<b>7,657</b>	<b>7,531</b>	<b>6,948</b>
Surplus/(Shortfall)	13	(491)	0	1	7	2	388
Surplus/(Shortfall) as % of Revenue	0.2%	-7.9%	0.0%	0.0%	0.1%	0.0%	5.3%

# Contributory Report – Solid Waste Analysis

To: David A. Hales, City Manager  
CC: Barbara J. Adkins, Deputy City Manager; Jim Karch, Public Works Director; Robbie Henson, Solid Waste Supervisor  
From: Alex McElroy, Assistant to the City Manager  
Date: October 15, 2013  
Subject: Solid Waste Rates – Low-Income Discount

## **Background**

City Officials are currently analyzing alternative variable rate fee structures in efforts to reduce the City's general fund subsidy to solid waste operations. Based on current findings, potential changes to the current rates would result in higher fees for a majority of the City's solid waste customers. The final impact to customers will be a policy decision established by the City Council. The purpose of this report is to investigate potential mitigating programs City Officials may employ in concert with variable rates to assist those in dire financial situations.

## **Summary**

Unfortunately, adjusting fees for service to cover rising operational costs is common practice in today's challenging economy. Costs for goods and services nation-wide continue to rise for both consumers and service providers. Over the course of FY2014, the City Council has taken a diligent, responsible, and thorough approach to analyzing the City's solid waste operations before considering alternative fees. If the Council is to decide to increase fees for service, potential programs may be utilized to offset some costs for customers that would be most adversely impacted by such increases. With this objective in mind, it is first important to ensure the appropriate and intended customers are identified for such a program.

One option would be to offer a senior citizen discount to qualifying customers. Before the proliferation of automated refuse collection services with automated cart systems and variable cart sizes, customers were typically charged uniform rates. During this time, it was not highly uncommon for service providers to offer senior citizen discounts to qualifying customers. The motivation was equity in fee for service as it was assumed older customers generated less waste. However, over the past several years, there has been a notable trend away from senior citizen discounts due to a couple of factors:

Typically, automated collection with variable cart sizes is accompanied with volume based rates (i.e. variable rates based on the size of the cart). With volume based rates, an additional discount for less volume becomes less justified.

Increased lifespan and increased number of senior citizens. The foregone revenue that is essentially transferred to non-senior ratepayers would continue to increase.

However, if the goal is to identify those individuals that would be the most adversely affected by an increased fee, a low- income discount would then be a more appropriate program. It may be prudent to note, however; that the City does not provide this option for other services such as water, sewer, or stormwater. These are services which are currently undergoing separate master plans, the findings of which may include recommendations for increased fees for service.

Certain programs offered by the City do provide the opportunity to apply for a reduction in fees. In the Parks, Recreation and Cultural Arts Department the City offers qualifying individuals discounts for various youth



# Contributory Report – Solid Waste Analysis

recreation programs based on extenuating financial circumstances. This may be due to unemployment, extensive hospital bills, or other justifications. In FY2013, a total of 27 individuals participated in the Parks and Recreation discount program for youth recreation camps representing \$2,004 in waived fees. In FY2014, so far there have been 21 individuals participate representing \$2,390 in foregone revenue. The City also utilized a program 4 to 5 years ago whereby the City would fund the replacement of failed water service lines to low-to-moderate income households, as determined by federal guidelines through the PACE Department, but this program has since been discontinued.

## *Other Service Providers*

Online research into current practices of Low-Income Programs administered by solid waste service providers reveals various discount levels as well as diverse qualifying criteria. One more popular method observed was the establishment of low-income guidelines with an adjusting accumulative number per household scale<sup>1</sup>.

<b>Jurisdiction</b>	<b>Qualifying Criteria</b>	<b>Discount</b>
Boise, ID	Based on City’s Community Development Block Grant Low Income Guidelines. 1 person household income threshold is \$12,600. Increases \$1,800 each additional person.	30% discount on utility bills
Peters Township, PA	Have an Annual Household Income Below \$35,000; must also either be disabled, widow or widower, or a senior citizen	Low Income Discount ranges from 10% - 100% depending on level of income
Newark, CA	Must qualify for lifeline services or be a senior citizen	18% discount for collection services
San Joaquin, CA	This discount is taken off the first can for the curbside residential refuse collection rate.	30% discount
Santa Fe County, CA	The applicant must present proof of income by presenting, along with a written application for the Permit, a copy of their last current year federal tax return showing that their Adjusted Gross Income was less than \$24,000.00	Standard fee is reduced by \$10
Seattle, WA	Income levels established by the City based on the state’s definition of low income	Up to 50% discount
Alhambra, CA	Income levels based on number of people in household	1 person in the household income threshold is \$47.250. Each additional person increases income threshold by \$6,750
Bernalillo County, NM	The Solid Waste Low Income Program staff determines economic need based upon current HUD guidelines. Eligible households are required to have a gross annual income at or less than 50% as stipulated in HUD guidelines. Income guidelines are updated annually by HUD. The household’s income is based on the <b>GROSS</b> (taxable and non-taxable income) amount of their most recent federal income tax form or SSI benefit form.	Bernalillo County Solid Waste Department offers two levels of low income discounts to qualifying customers. Discounts vary based on household size and income. The largest discounts one may qualify for on a 3 month bill is 72% reduction. The second level of discounts one may qualify for on a 3 month bill is 43% reduction.
Toppenish, WA	Must also be a senior citizen (65+) have a maximum annual household income at or below 125 percent of federal poverty guidelines	25% reduction of solid waste fee
Woodland, CA	Income limit based on household size. 1 person threshold is \$36,800. Threshold increases \$5,250 for each additional person	10% discount off the Waste Management service fees of qualifying households for a 12 month period
Kauai County, HI	Any residence that qualifies for a low income exemption on their property tax under Section 5A-11.4 (d) of the Kaua’i County Code (with gross income of \$60,200 per year or less)	50% reduction in the applicable refuse collection assessment.

<sup>1</sup> See: “2013 Community Development Block Grant income Guidelines.pdf”

# Contributory Report – Solid Waste Analysis

## *Financial Impact of Qualifying Criteria*

The overall financial impact of a low-income program for solid waste services would be based on the discount amount, qualifying criteria, and the newly established fees. A quick case study into the Boise, ID Low-Income Program may provide some further insight into some potential pitfalls:

The City of Boise recently amended their Low-Income Program to be less expansive due to an exposure of potential revenue loss of \$1.22 million based on qualifying customers. In 2009, the City of Boise provided a 30% discount on solid waste fees to qualifying customers based on the City’s Community Block Grant Moderate Income Guidelines. The City’s Community Block Grant Program developed Moderate, Low/Moderate, and Low Income guidelines based on an 80%, 50%, and 30% of the median family income respectively<sup>2</sup>. Anyone in the City satisfying these income criteria would be eligible for a 30 percent discount on their solid waste fee.

Although Boise staff found that only 0.35% of their trash customers took advantage of the low-income discount, 36.7% of Boise families actually qualified for the program. With the City’s customer base of 66,800 and a trash rate of \$13.80 the maximum potential cost to the trash fund was \$1.22 million (0.367 x 66,800 x 13.80 = 1,219,935).

Upon review of these findings, Boise staff analyzed all of their low-income applications received in 2008 which produced the following results:

Customers with family income between Moderate and Low/Moderate Income Guidelines	0%
Customers with family income between Low/Moderate and Low Income Guidelines	7%
Customers with family income below Low Income Guidelines	93%

The analysis revealed that 93% of their participating customers were found to be below Low-Income Guidelines. It was also found that only 7% of those currently participating in the program were in the higher income brackets of Low/Moderate and Moderate.

Assuming the bell curve of gross income is a normal distribution, the maximum revenue loss to the City’s solid waste fund under the three income guidelines is broken down below:

<b>Income Guidelines</b>	<b>Qualified Customers</b>	<b>Discount</b>	<b>Revenue Loss</b>
Moderate	13,360	30%	\$1,217,657
Low / Moderate	8,950	30%	\$553,923
Low	2,200	30%	\$109,296

Due to the very low participation numbers of the individuals who qualified for the Low/Moderate and Moderate criteria, City officials decided to amend the program to allow for only individuals satisfying the criteria of Low-Income to participate in the program. With this amendment, the City’s total revenue loss exposure is \$109 thousand, however; staff reports that only approximately 300 customers participate in this program representing an annual cost of \$15 thousand.

<sup>2</sup> See: “2013 Community Development Block Grant income Guidelines.pdf”

# Contributory Report – Solid Waste Analysis

Decisions made by the City of Boise may be advantageous to reflect upon when establishing qualifying criteria for a low-income program. It is recommended that a Low-Income Program be structured to assist those who would receive the greatest benefit from such a program.

## **Recommendation**

In efforts to provide financial relief to solid waste customers that would be most adversely impacted by increased fees for solid waste services, a Low-Income Program should be adopted. Recognizing the City's solid waste fund is undergoing a comprehensive analysis with the goal of reducing the general fund subsidy; such a program must efficiently identify the intended recipients. The City of Boise, ID had previously adopted a Low-Income Program that was unsustainable due to the expansive number of eligible customers. It is recommended the City utilize the federal poverty guidelines as qualifying criteria for a Low-Income Program. The 2013 Federal Poverty Guidelines are issued each year in the Federal Register by the Department of Health and Human Services and are very similar to the revised low-income schedule adopted by Boise, ID<sup>3</sup>. The Federal Poverty Guidelines are regularly used by the Federal Government for the administrative purposes of determining financial eligibility for certain federal programs and are based on household family numbers<sup>4</sup>.

The proposed eligibility criteria are as follows:

<b>2013 Poverty Guidelines for the 48 Contiguous States and the District of Columbia</b>	
<b>Persons in family/household</b>	<b>Poverty guideline</b>
<b>1</b>	\$11,490
<b>2</b>	15,510
<b>3</b>	19,530
<b>4</b>	23,550
<b>5</b>	27,570
<b>6</b>	31,590
<b>7</b>	35,610
<b>8</b>	39,630
<b>For families/households with more than 8 persons, add \$4,020 for each additional person.</b>	

<sup>3</sup> See: "2013 Community Development Block Grant income Guidelines.pdf"

<sup>4</sup> See: <http://aspe.hhs.gov/poverty/13poverty.cfm#guidelines>



## Housing & Community Development

Address:  
1025 S. Capitol Boulevard  
Boise, Idaho 83706-3000

Phone: 208/384-4158  
Fax: 208/384-4195  
TTY/Relay: 800/377-3529  
Website: [www.cityofboise.org/housing](http://www.cityofboise.org/housing)

# 2013 Community Development Block Grant Income Guidelines

Boise City Median Income is \$60,000

## Moderate Income Guidelines (80% of Median Income)

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Family Size	Annual Gross Income
1 Person	\$33,600
2 Person	\$38,400
3 Person	\$43,200
4 Person	\$48,000
5 Person	\$51,850
6 Person	\$55,700
7 Person	\$59,550
8 Person	\$63,400

## Low-Moderate Income Guidelines (50% of Median Income)

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Family Size	Annual Gross Income
1 Person	\$21,000
2 Person	\$24,000
3 Person	\$27,000
4 Person	\$30,000
5 Person	\$32,400
6 Person	\$34,800
7 Person	\$37,200
8 Person	\$39,600

## Low Income Guidelines (30% of Median Income)

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Family Size	Annual Gross Income
1 Person	\$12,600
2 Person	\$14,400
3 Person	\$16,200
4 Person	\$18,000
5 Person	\$19,450
6 Person	\$20,900
7 Person	\$22,350
8 Person	\$23,800

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## 2013 Poverty Guidelines

### One Version of the [U.S.] Federal Poverty Measure

[ [Federal Register Notice, January 24, 2013](#) — Full text ]

[ [Prior Poverty Guidelines and Federal Register References Since 1982](#) ]

[ [Frequently Asked Questions \(FAQs\)](#) ]

[ [Further Resources on Poverty Measurement, Poverty Lines, and Their History](#) ]

[ [Computations for the 2013 Poverty Guidelines](#) ]

There are two slightly different versions of the federal poverty measure:

- The [poverty thresholds](#), and
- The [poverty guidelines](#).

The **poverty thresholds** are the original version of the federal poverty measure. They are updated each year by the **Census Bureau**. The thresholds are used mainly for **statistical purposes** — for instance, preparing estimates of the number of Americans in poverty each year. (In other words, all official poverty population figures are calculated using the poverty thresholds, not the guidelines.) [Poverty thresholds since 1973 \(and for selected earlier years\)](#) and [weighted average poverty thresholds since 1959](#) are available on the Census Bureau's Web site. For an example of how the Census Bureau applies the thresholds to a family's income to determine its poverty status, see "[How the Census Bureau Measures Poverty](#)" on the Census Bureau's web site.

The **poverty guidelines** are the other version of the federal poverty measure. They are issued each year in the *Federal Register* by the **Department of Health and Human Services (HHS)**. The guidelines are a simplification of the poverty thresholds for use for **administrative purposes** — for instance, determining financial eligibility for certain federal programs. The [Federal Register notice of the 2013 poverty guidelines](#) is available.

The poverty guidelines are sometimes loosely referred to as the "federal poverty level" (FPL), but that phrase is ambiguous and should be avoided, especially in situations (e.g., legislative or administrative) where precision is important.

Key differences between poverty thresholds and poverty guidelines are outlined in a table under [Frequently Asked Questions \(FAQs\)](#). See also the [discussion of this topic](#) on the Institute for Research on Poverty's web site.

The following figures are the 2013 HHS poverty guidelines which are scheduled to be published in the *Federal Register* on January 24, 2013. (Additional information will be posted after the guidelines are published.)

#### 2013 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA

Persons in family/household	Poverty guideline
1	\$11,490
2	15,510
3	19,530
4	23,550
5	27,570
6	31,590
7	35,610
8	39,630
For families/households with more than 8 persons, add \$4,020 for each additional person.	

#### 2013 POVERTY GUIDELINES FOR ALASKA

Persons in family/household	Poverty guideline
1	\$14,350
For families/households with more than 8 persons, add \$5,030 for each additional person.	

Persons in family/household	Poverty guideline
2	19,380
3	24,410
4	29,440
5	34,470
6	39,500
7	44,530
8	49,560
For families/households with more than 8 persons, add \$5,030 for each additional person.	

## 2013 POVERTY GUIDELINES FOR HAWAII

Persons in family/household	Poverty guideline
1	\$13,230
2	17,850
3	22,470
4	27,090
5	31,710
6	36,330
7	40,950
8	45,570
For families/households with more than 8 persons, add \$4,620 for each additional person.	

**SOURCE:** *Federal Register*, Vol. 78, No. 16, January 24, 2013, pp. 5182-5183

The separate poverty guidelines for Alaska and Hawaii reflect Office of Economic Opportunity administrative practice beginning in the 1966-1970 period. Note that the poverty thresholds — the original version of the poverty measure — have never had separate figures for Alaska and Hawaii. The poverty guidelines are not defined for Puerto Rico, the U.S. Virgin Islands, American Samoa, Guam, the Republic of the Marshall Islands, the Federated States of Micronesia, the Commonwealth of the Northern Mariana Islands, and Palau. In cases in which a Federal program using the poverty guidelines serves any of those jurisdictions, the Federal office which administers the program is responsible for deciding whether to use the contiguous-states-and-D.C. guidelines for those jurisdictions or to follow some other procedure.

The poverty guidelines apply to both aged and non-aged units. The guidelines have never had an aged/non-aged distinction; only the Census Bureau (statistical) poverty thresholds have separate figures for aged and non-aged one-person and two-person units.

Programs using the guidelines (or percentage multiples of the guidelines — for instance, 125 percent or 185 percent of the guidelines) in determining eligibility include Head Start, the Food Stamp Program, the National School Lunch Program, the Low-Income Home Energy Assistance Program, and the Children's Health Insurance Program. Note that in general, cash public assistance programs (Temporary Assistance for Needy Families and Supplemental Security Income) do NOT use the poverty guidelines in determining eligibility. The Earned Income Tax Credit program also does NOT use the poverty guidelines to determine eligibility. For a more detailed list of programs that do and don't use the guidelines, see the [Frequently Asked Questions](#) (FAQs).

The poverty guidelines (unlike the poverty thresholds) are designated by the year in which they are issued. For instance, the guidelines issued in January 2013 are designated the 2013 poverty guidelines. However, the 2013 HHS poverty guidelines only reflect price changes through calendar year 2012; accordingly, they are approximately equal to the Census Bureau poverty thresholds for calendar year 2012. (The 2012 thresholds are expected to be issued in final form in September 2013; a preliminary version of the 2012 thresholds is now available from the Census Bureau.)

The [computations for the 2013 poverty guidelines](#) are available.

The poverty guidelines may be formally referenced as "the poverty guidelines updated periodically in the *Federal Register* by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2)."

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Go to [Further Resources on Poverty Measurement, Poverty Lines, and Their History](#)

Go to [Frequently Asked Questions \(FAQs\)](#)

Return to the main [Poverty Guidelines, Research, and Measurement](#) page.

# CITY OF BLOOMINGTON, COMMUNITY DEVELOPMENT DIVISION

## HUD INCOME GUIDELINES FOR FY 2013-14/ PROJECT YEAR 39

(Effective 1-1-2013)

<b>Size of Household</b>	<b>&lt;30% Ext. Low</b>	<b>31-50% Low</b>	<b>51-80% Moderate</b>
1	\$0 - \$17,700	\$17,701 - \$29,500	\$29,501 - \$45,100
2	\$0 - \$20,200	\$20,201 - \$33,700	\$33,701 - \$51,550
3	\$0 - \$22,750	\$22,751 - \$37,900	\$37,901 - \$58,000
4	\$0 - \$25,250	\$25,251 - \$42,100	\$42,101 - \$64,400
5	\$0 - \$27,300	\$27,301 - \$45,500	\$45,501 - \$69,600
6	\$0 - \$29,300	\$29,301 - \$48,850	\$48,851 - \$74,750
7	\$0 - \$31,350	\$31,351 - \$52,250	\$52,251 - \$79,900
8	\$0 - \$33,350	\$33,351 - \$55,600	\$55,601 - \$85,050

# 2013 POVERTY GUIDELINES

ALL STATES (EXCEPT ALASKA AND HAWAII) AND D.C.

## ANNUAL GUIDELINES

FAMILY SIZE	PERCENT OF POVERTY GUIDELINE								
	100%	120%	133%	135%	150%	175%	185%	200%	250%
1	11,490.00	13,788.00	15,281.70	15,511.50	17,235.00	20,107.50	21,256.50	22,980.00	28,725.00
2	15,510.00	18,612.00	20,628.30	20,938.50	23,265.00	27,142.50	28,693.50	31,020.00	38,775.00
3	19,530.00	23,436.00	25,974.90	26,365.50	29,295.00	34,177.50	36,130.50	39,060.00	48,825.00
4	23,550.00	28,260.00	31,321.50	31,792.50	35,325.00	41,212.50	43,567.50	47,100.00	58,875.00
5	27,570.00	33,084.00	36,668.10	37,219.50	41,355.00	48,247.50	51,004.50	55,140.00	68,925.00
6	31,590.00	37,908.00	42,014.70	42,646.50	47,385.00	55,282.50	58,441.50	63,180.00	78,975.00
7	35,610.00	42,732.00	47,361.30	48,073.50	53,415.00	62,317.50	65,878.50	71,220.00	89,025.00
8	39,630.00	47,556.00	52,707.90	53,500.50	59,445.00	69,352.50	73,315.50	79,260.00	99,075.00

For family units of more than 8 members, add \$4,020 for each additional member.

## MONTHLY GUIDELINES

FAMILY SIZE	PERCENT OF POVERTY GUIDELINE								
	100%	120%	133%	135%	150%	175%	185%	200%	250%
1	957.50	1,149.00	1,273.48	1,292.63	1,436.25	1,675.63	1,771.38	1,915.00	2,393.75
2	1,292.50	1,551.00	1,719.03	1,744.88	1,938.75	2,261.88	2,391.13	2,585.00	3,231.25
3	1,627.50	1,953.00	2,164.58	2,197.13	2,441.25	2,848.13	3,010.88	3,255.00	4,068.75
4	1,962.50	2,355.00	2,610.13	2,649.38	2,943.75	3,434.38	3,630.63	3,925.00	4,906.25
5	2,297.50	2,757.00	3,055.68	3,101.63	3,446.25	4,020.63	4,250.38	4,595.00	5,743.75
6	2,632.50	3,159.00	3,501.23	3,553.88	3,948.75	4,606.88	4,870.13	5,265.00	6,581.25
7	2,967.50	3,561.00	3,946.78	4,006.13	4,451.25	5,193.13	5,489.88	5,935.00	7,418.75
8	3,302.50	3,963.00	4,392.33	4,458.38	4,953.75	5,779.38	6,109.63	6,605.00	8,256.25

Produced by: CMCS/CAHPG/DEEO