

AGENDA REPORT

TO: Shann Finwall, Environmental Planner
FROM: John Nephew, Councilmember
SUBJECT: Resident Trash Bills in Current Open Hauling System
DATE: August 24, 2011

INTRODUCTION

Maplewood's solid waste ordinance requires licensed haulers to report their rates to the city on an annual basis, and to notify the city in advance of rate increases. I have found that the actual rates paid by residents vary quite a bit, and are in some cases considerably higher than [hauler-reported rates](#). In addition, many haulers apply additional surcharges and fees. Current city policy and ordinances do not ask haulers to report these added charges, which may be introduced or changed at a hauler's discretion.

On April 25th, I made a [council presentation on the topic of trash bills and surcharges](#). In the same presentation, I asked residents to send me copies of their recent trash bills, so that I could get a better handle on what residents are actually paying. I also sent a request by e-mail to every resident who had contacted me on this subject, including hundreds of residents who had sent NSWMA-paid postcards to the city last year and included a legible e-mail address in their contact information.

This report is intended to share and analyze the information I have gathered, to provide the city council with a more accurate picture of the fees actually paid by Maplewood residents for trash hauling service.

Note: In the digital (PDF) version of this report, underlined text indicates a hyperlink to a web page for citation or further information.

RAW DATA

A total of 55 individual bills/invoices or sets of bills have been provided to me so far. I have digitized all of these bills, blacked out personally identifying information, and placed them in a publicly accessible directory on my personal website. (If I receive more example bills, I will upload them here as well.) To view all of the individual bills, use this URL:

<http://www.johnnephew.com/garbage/bills/>

In most cases these are single-family homes with individual trash arrangements. In some cases a household provided me with multiple example bills spanning a period of months or years. I also have included a couple of examples of bills from homeowner associations. Though such associations may not be covered if we adopt organized collection, I think it may still be interesting to compare their arrangements to the single-family homes.

I obtained examples of bills from seven of the eight licensed haulers that serve residential customers in general in Maplewood. In addition, I obtained one example of a bill from an unlicensed hauler serving a Maplewood household.

The table on the following page presents a summary of all 55 sets of bills.

Summary of All Bills

All figures are adjusted to a per-month basis regardless of billing period

Inv #	Hauler	Date/Period	Container Class	Hauler Reported Base Rate	Actual Bill Base Rate	Fuel and/or Enviro. Surcharge	Admin Fee	Total Excluding Tax	Actual Base	Total Versus
									Reported Base	Reported Base
1	Hauler A	02/11-04/11	90 gal	\$16.25	\$28.00	\$4.24	\$0.98	\$33.23	72.31%	104.47%
2	Hauler B	04/11-05/11	90 gal	\$17.00	\$28.10	\$7.03	\$1.50	\$36.63	65.29%	115.44%
3	Hauler C	04/11-05/11	60 gal	\$15.00	\$25.00	\$0.00	\$0.00	\$25.00	66.67%	66.67%
4	Hauler D	03/11-04/11	90 gal	\$15.05	\$15.55	\$0.85	\$0.00	\$16.40	3.32%	8.97%
5	Hauler B	03/11-05/11	90 gal	\$17.00	\$14.00	\$2.66	\$0.00	\$16.66	-17.65%	-2.02%
6	Hauler C	05/11-07/11	60 gal	\$15.00	\$12.50	\$0.00	\$0.00	\$12.50	-16.67%	-16.67% *
7	Hauler E	05/11-06/11	90 gal	\$16.00	\$20.50	\$4.93	\$0.00	\$25.43	28.13%	58.91%
8	Hauler B	05/11-07/11	60 gal	\$16.00	\$18.50	\$4.81	\$1.00	\$24.31	15.63%	51.96%
9	Hauler D	03/11-04/11	60 gal	\$13.05	\$13.55	\$0.85	\$0.00	\$14.40	3.83%	10.34%
10	Hauler D	02/11-03/11	30 gal	\$12.05	\$12.55	\$0.85	\$0.00	\$13.40	4.15%	11.20%
11	Hauler D	04/11-05/11	60 gal	\$13.05	\$13.55	\$0.85	\$0.00	\$14.40	3.83%	10.34%
12	Hauler D	03/11-04/11	30 gal	\$12.05	\$12.05	\$0.85	\$0.00	\$12.90	0.00%	7.05%
13	Hauler C	05/11-07/11	60 gal	\$15.00	\$17.25	\$0.00	\$0.00	\$17.25	15.00%	15.00%
14	Hauler B	03/11-05/11	90 gal	\$17.00	\$16.00	\$4.17	\$0.00	\$20.17	-5.88%	18.65% *
15	Hauler D	03/11-04/11	90 gal	\$15.05	\$15.55	\$0.85	\$0.00	\$16.40	3.32%	8.97%
16	Hauler D	04/01/11	30 gal	\$12.05	\$12.05	\$0.85	\$0.00	\$12.90	0.00%	7.05%
17	Hauler C	05/11-07/11	90 gal	\$17.00	\$18.50	\$0.00	\$0.00	\$18.50	8.82%	8.82%
18	Hauler C	04/11-05/11	60 gal	\$15.00	\$10.50	\$0.00	\$0.00	\$10.50	-30.00%	-30.00%
19	Hauler D	10/10-11/10	60 gal	\$13.05	\$13.05	\$0.85	\$0.00	\$13.90	0.00%	6.51%
20	Hauler A	05/11-07/11	90 gal	\$16.25	\$30.00	\$5.24	\$0.98	\$36.22	84.62%	122.91%
21	Hauler D	12/10-01/11	60 gal	\$13.05	\$13.05	\$0.85	\$0.00	\$13.90	0.00%	6.51%
22	Hauler D	03/11-04/11	90 gal	\$15.05	\$14.55	\$0.00	\$0.00	\$14.55	-3.32%	-3.32% *
23	Hauler D	01/11-02/11	90 gal	\$15.05	\$14.55	\$0.85	\$0.00	\$15.40	-3.32%	2.33%
24	Hauler E	04/11-05/11	30 gal	\$14.75	\$16.50	\$7.53	\$0.00	\$24.03	11.86%	62.92%
25	Hauler C	04/11-05/11	30 gal	\$13.00	\$15.25	\$0.00	\$0.00	\$15.25	17.31%	17.31%
26	Hauler E	March 2011	60 gal	\$15.00	\$15.84	\$3.80	\$0.15	\$19.79	5.63%	31.96% *
27	Hauler E	05/11-06/11	60 gal	\$15.00	\$17.00	\$4.09	\$0.00	\$21.09	13.33%	40.57%
28	Hauler D	04/11-05/11	60 gal	\$13.05	\$13.55	\$0.85	\$0.00	\$14.40	3.83%	10.34%
29	Hauler D	03/11-04/11	60 gal	\$13.05	\$12.55	\$0.00	\$0.00	\$12.55	-3.83%	-3.83%
30	Hauler D	03/11-04/11	60 gal	\$13.05	\$13.05	\$0.85	\$0.00	\$13.90	0.00%	6.51%
31	Hauler A	02/11-04/11	90 gal	\$16.25	\$14.00	\$2.12	\$0.98	\$17.10	-13.85%	5.25%
32	Hauler D	03/11-04/11	60 gal	\$13.05	\$13.55	\$0.85	\$0.00	\$14.40	3.83%	10.34%
33	Hauler E	05/11-06/11	90 gal	\$16.00	\$17.75	\$4.26	\$0.00	\$22.01	10.94%	37.56%
34	Hauler A	05/11-07/11	30 gal	\$12.25	\$14.00	\$2.45	\$0.98	\$17.43	14.29%	42.29%
35	Hauler E	05/11-06/11	60 gal	\$15.00	\$28.38	\$6.81	\$0.00	\$35.19	89.17%	134.57%
36	Hauler E	04/11-05/11	90 gal	\$16.00	\$15.75	\$3.60	\$0.00	\$19.35	-1.56%	20.94%
37	Hauler B	05/11-06/11	90 gal	\$17.00	\$18.48	\$4.81	\$0.00	\$23.29	8.71%	36.97%
38	Hauler E	04/11-05/11	60 gal	\$15.00	\$19.50	\$4.45	\$0.00	\$23.95	30.00%	59.67%
39	Hauler D	04/11-05/11	30 gal	\$12.05	\$12.55	\$0.85	\$0.00	\$13.40	4.15%	11.20%
40	Hauler E	05/11-06/11	90 gal	\$16.00	\$17.00	\$4.09	\$0.00	\$21.09	6.25%	31.78%
41	Hauler F	01/11-03/11	30 gal	\$12.31	\$17.37	\$0.00	\$0.00	\$17.37	41.08%	41.08%
42	Hauler D	05/11-06/11	60 gal	\$13.05	\$13.55	\$0.85	\$0.00	\$14.40	3.83%	10.34%
43	Hauler D	04/11-05/11	60 gal	\$13.05	\$11.52	\$0.72	\$0.00	\$12.24	-11.76%	-6.25%
44	Hauler B	06/01/11	60 gal	\$16.00	\$13.81	\$3.58	\$0.00	\$17.39	-13.69%	8.67%
45	Hauler D	05/11-06/11	90 gal	\$15.05	\$15.50	\$0.85	\$0.00	\$16.35	2.99%	8.64%
46	Hauler E	10/15/10	30 gal	\$14.75	\$12.00	\$2.26	\$0.00	\$14.26	-18.64%	-3.32%
47	Hauler A	03/11-05/11	60 gal	\$14.25	\$19.00	\$2.99	\$0.98	\$22.97	33.33%	61.22%
48	Hauler G	07/11-08/11	30 gal	\$15.63	\$15.63	\$0.63	\$0.00	\$16.26	0.00%	4.00%
49	Hauler F	07/01/11	30 gal	\$12.31	\$18.06	\$0.00	\$0.00	\$18.06	46.71%	46.71%
50	Hauler G	03/11-04/11	30 gal	\$15.63	\$15.63	\$0.63	\$0.00	\$16.26	0.00%	4.00%
51	Hauler D	05/11-06/11	60 gal	\$13.05	\$13.55	\$0.85	\$0.00	\$14.40	3.83%	10.34%
52	OTHER	12/01/10	60 gal	n/a	\$15.50	\$0.00	\$0.00	\$15.50	n/a	n/a *
53	Hauler E	05/11-06/11	90 gal	\$16.00	\$17.00	\$5.91	\$0.00	\$22.91	6.25%	43.16%
54	Hauler A	7/11-9/11	90 gal	\$16.25	\$14.20	\$0.00	\$0.00	\$14.20	-12.62%	-12.62%
55	Hauler F	April 2011	unknown	unknown	\$10.71	\$0.00	\$0.00	\$10.71	n/a	n/a *
AVERAGE – excluding unlicensed and townhomes									11.03%	25.59%

NOTES:

- 6 Self-organized neighborhood
- 14 Online bill, gets every third month free
- 22 New Customer w/2yr contract
- 26 Townhome Ass'n, 13 homes
- 52 Hauler is not licensed in Maplewood
- 55 Townhome Ass'n, per household

- Haulers are identified by letter (“Hauler A,” etc.). I assigned letters simply based on the order in which I obtained examples of their bills.
- When I received multiple examples from the same household, the bill I include in the table is the most recent.
- Actual container sizes vary among haulers; the “30 gallon” class of container, for example, may have an actual volume of 30 to 38 gallons.
- In addition to their base charge for service, some but not all haulers have a fuel surcharge line item. Some have a line that is both for fuel and “environmental” surcharges or fees. Some have an additional line for an administrative fee, which appears to be charged to some customers who receive paper bills. These surcharges and fees are not always applied to all customers.
- For this table, I omit any special or one-time charges (late fees, yard waste, bulky items, extra bags, etc.). Later in this report I summarize the limited examples I have of these charges.
- I have not included taxes on this table. Taxes should be applied to the total of hauler fees (their base charge, any fuel and/or environmental surcharges, and any administrative fee), and consist of the 28% Ramsey County Environmental Charge and the 9.75% Minnesota Solid Waste Management Tax. Exceptions appear to be errors. (Examples: on [Invoice 28](#), the customer's extra trash bags appear to have been mistakenly coded as subject to Washington County's CEC; [Invoice 46](#) includes the state tax but omits the county.)
- I calculate each customer's total monthly trash bill, excluding tax.
- “Actual Base Versus Reported Base” is a calculation of the percentage difference between what this customer is paying and what their hauler reported to the city at the start of 2011 as their official basic rate for service of this size container. (Note that one hauler, Hauler D, updated their rate report mid-year to reflect a 50-cent-per-month increase that took affect early in the year. I am, however, using their original reported rates, because when most of these bills were issued those were the rates still on file at the city.)
- The next column, “Total Versus Reported Base,” tells us the percentage difference between all the hauler's charges combined and that basic rate reported to the city.
- At the bottom of the table, I calculate the average percentage difference between what people pay and what the haulers report. The calculation excludes the two townhome associations, and the one unlicensed hauler (since there's no reported rate to compare to). It *does* include non-association neighborhood groups that have banded together to negotiate a lower rate for a number of households, since that is in theory a strategy available to any home in Maplewood. (A resident who chooses not to work with their neighbors to find a lower price is going to pay more just like a resident who chooses not to monitor their bills, compare rates, negotiate, and frequently change haulers to obtain the best current rate.)

For base rates, I found that on average, Maplewood households are paying 11.03% higher rates than what the haulers report to the city. The difference ranges from 30% less than the reported rate on one extreme, to 89% more on the other.

If you add in the extra surcharges and fees applied to basic trash service by some haulers, Maplewood residents pay 25.59% more on average than the rates their haulers reported to the city at the beginning of the year. Individual bills range from 30% less than the reported rate to, on the other end, a resident who is charged 135% more than the rate his hauler reports to the city.

ORDINANCE COMPLIANCE: RATE REPORTING

As we consider the current open hauling system and potential improvements, one question we should ask is whether haulers comply with the current ordinance and, if not, what are the consequences.

Before investigating, my assumption was that the rates reported to the city were the basic rates available to anyone, and that individual consumers might negotiate a better rate (for example, to match a competitor's offer). I found this *not* to be the case; in a majority of bills, the resident is paying a higher base rate (not including fuel surcharges, etc.) than was reported as the official rate to the city.

I obtained example bills from seven of the eight residential haulers that serve Maplewood residents at large. (A ninth only serves a couple of specific homeowner associations). **Six of the seven haulers were not in compliance with the rate reporting ordinance**, in that either the base rate reported to the city did not correspond to the higher *base rate* actually charged to some customers; or they implemented a rate increase without the advance notice to the city required by ordinance; or both.

As staff has explained, there is no significant effort to enforce our ordinance with respect to rates. Under current ordinance, the only penalty available to the city council is to revoke a hauler's license.

RATES BY CONTAINER SIZE

The following tables summarize prices paid for the three standard container sizes, with bills sorted from least to greatest total monthly cost. I have omitted the townhome associations.

Rates by Container Size: 30-38 Gallon

Inv #	Hauler	Container Class	Actual Bill Base Rate	Fuel and/or		Total Excluding Tax
				Enviro. Surcharge	Admin Fee	
12	Hauler D	30 gal	\$12.05	\$0.85	\$0.00	\$12.90
16	Hauler D	30 gal	\$12.05	\$0.85	\$0.00	\$12.90
10	Hauler D	30 gal	\$12.55	\$0.85	\$0.00	\$13.40
39	Hauler D	30 gal	\$12.55	\$0.85	\$0.00	\$13.40
46	Hauler E	30 gal	\$12.00	\$2.26	\$0.00	\$14.26
25	Hauler C	30 gal	\$15.25	\$0.00	\$0.00	\$15.25
48	Hauler G	30 gal	\$15.63	\$0.63	\$0.00	\$16.26
50	Hauler G	30 gal	\$15.63	\$0.63	\$0.00	\$16.26
41	Hauler F	30 gal	\$17.37	\$0.00	\$0.00	\$17.37
34	Hauler A	30 gal	\$14.00	\$2.45	\$0.98	\$17.43
49	Hauler F	30 gal	\$18.06	\$0.00	\$0.00	\$18.06
24	Hauler E	30 gal	\$16.50	\$7.53	\$0.00	\$24.03
	AVERAGE		\$14.47	\$1.41	\$0.08	\$15.96

Rates by Container Size: 60-68 Gallon

Inv #	Hauler	Container Class	Actual Bill Base Rate	Fuel and/or		Total Excluding Tax
				Enviro. Surcharge	Admin Fee	
18	Hauler C	60 gal	\$10.50	\$0.00	\$0.00	\$10.50
43	Hauler D	60 gal	\$11.52	\$0.72	\$0.00	\$12.24
6	Hauler C	60 gal	\$12.50	\$0.00	\$0.00	\$12.50
29	Hauler D	60 gal	\$12.55	\$0.00	\$0.00	\$12.55
19	Hauler D	60 gal	\$13.05	\$0.85	\$0.00	\$13.90
21	Hauler D	60 gal	\$13.05	\$0.85	\$0.00	\$13.90
30	Hauler D	60 gal	\$13.05	\$0.85	\$0.00	\$13.90
9	Hauler D	60 gal	\$13.55	\$0.85	\$0.00	\$14.40
11	Hauler D	60 gal	\$13.55	\$0.85	\$0.00	\$14.40
28	Hauler D	60 gal	\$13.55	\$0.85	\$0.00	\$14.40
32	Hauler D	60 gal	\$13.55	\$0.85	\$0.00	\$14.40
42	Hauler D	60 gal	\$13.55	\$0.85	\$0.00	\$14.40
51	Hauler D	60 gal	\$13.55	\$0.85	\$0.00	\$14.40
52	OTHER	60 gal	\$15.50	\$0.00	\$0.00	\$15.50
13	Hauler C	60 gal	\$17.25	\$0.00	\$0.00	\$17.25
44	Hauler B	60 gal	\$13.81	\$3.58	\$0.00	\$17.39
27	Hauler E	60 gal	\$17.00	\$4.09	\$0.00	\$21.09
47	Hauler A	60 gal	\$19.00	\$2.99	\$0.98	\$22.97
38	Hauler E	60 gal	\$19.50	\$4.45	\$0.00	\$23.95
8	Hauler B	60 gal	\$18.50	\$4.81	\$1.00	\$24.31
3	Hauler C	60 gal	\$25.00	\$0.00	\$0.00	\$25.00
35	Hauler E	60 gal	\$28.38	\$6.81	\$0.00	\$35.19
AVERAGE			\$15.52	\$1.60	\$0.09	\$17.21

Rates by Container Size: 90-98 Gallon

Inv #	Hauler	Container Class	Actual Bill Base Rate	Fuel and/or		Total Excluding Tax
				Enviro. Surcharge	Admin Fee	
54	Hauler A	90 gal	\$14.20	\$0.00	\$0.00	\$14.20
22	Hauler D	90 gal	\$14.55	\$0.00	\$0.00	\$14.55
23	Hauler D	90 gal	\$14.55	\$0.85	\$0.00	\$15.40
45	Hauler D	90 gal	\$15.50	\$0.85	\$0.00	\$16.35
4	Hauler D	90 gal	\$15.55	\$0.85	\$0.00	\$16.40
15	Hauler D	90 gal	\$15.55	\$0.85	\$0.00	\$16.40
5	Hauler B	90 gal	\$14.00	\$2.66	\$0.00	\$16.66
31	Hauler A	90 gal	\$14.00	\$2.12	\$0.98	\$17.10
17	Hauler C	90 gal	\$18.50	\$0.00	\$0.00	\$18.50
36	Hauler E	90 gal	\$15.75	\$3.60	\$0.00	\$19.35
14	Hauler B	90 gal	\$16.00	\$4.17	\$0.00	\$20.17
40	Hauler E	90 gal	\$17.00	\$4.09	\$0.00	\$21.09
33	Hauler E	90 gal	\$17.75	\$4.26	\$0.00	\$22.01
53	Hauler E	90 gal	\$17.00	\$5.91	\$0.00	\$22.91
37	Hauler B	90 gal	\$18.48	\$4.81	\$0.00	\$23.29
7	Hauler E	90 gal	\$20.50	\$4.93	\$0.00	\$25.43
1	Hauler A	90 gal	\$28.00	\$4.24	\$0.98	\$33.23
20	Hauler A	90 gal	\$30.00	\$5.24	\$0.98	\$36.22
2	Hauler B	90 gal	\$28.10	\$7.03	\$1.50	\$36.63
AVERAGE			\$18.16	\$2.97	\$0.23	\$21.36

As can easily be seen in these tables, different customers of the same hauler can pay wildly different amounts for the same service under the present system.

ORDINANCE COMPLIANCE: VOLUME-BASED PRICING

Our current ordinance mandates volume-based pricing: “That part of the price for service based on the disposal charge shall be proportionately different for the three volumes of waste collection service.” Looking at the rates, it's true that the average (mean) increases with the larger volume containers. However, when you look at the range of prices, they overlap.

Even more striking, the median rate actually paid for 60-gallon containers is lower than the median rate for 30-gallon containers! The sample is small enough that this may just be statistical noise. However, anecdotally, some residents have told me that when they asked their hauler about a smaller container, they were offered a lower price and the same container.

Take a look at several bills of Hauler E: On [Invoice 24](#), a resident with this hauler is paying \$24.03 per month for a 30-gallon container; on [Invoice 27](#), another resident is paying the same hauler \$21.09 per month for a 60-gallon container; and on [Invoice 36](#), a third resident with the very same hauler is paying even less, \$19.35 per month, for a 90-gallon container.

The rates reported to the city by the haulers comply with our ordinance on volume-based pricing. However, it appears that the rates actually charged to Maplewood residents do not.

HAULER RATE INCREASES IN THE OPEN SYSTEM

A frequent comment I've heard from people opposed to organized collection is the claim that prices will increase if the government gets involved. Of course, prices can and do increase under the current system. The pricing formula set out in our RFP does allow for annual price changes over the term of a contract, but those changes are tied to specific objective data: the consumer price index, a diesel fuel index, and the actual cost of tipping fees. In contrast, prices at the present time are set entirely at the discretion of the hauler, who may or may not link them in some way to objective economic data or actual costs in providing the service, or may cloak them in deceptive terms (as I discussed in my April 25th presentation) so as to throw off the scent of bargain-hunting consumers.

To illustrate how it works in the current system, let me refer you to a set of bills from a single Maplewood household ([2008](#), [2009](#), [2010](#), [2011](#)). This household has used the same hauler and the same container size (35 gallons), so it gives us an apples-to-apples comparison across four years. It's also notable that their hauler, “Hauler D,” appears to have relatively little pricing variation across their customer base.

Here is a table of the per-month prices charged to this customer by “Hauler D” across four years, excluding taxes:

Year	Base Charge	Fuel Surcharge	Total	Total Increase
2008	\$9.55	n/a	\$9.55	
2009	\$10.55	\$0.65	\$11.20	17.28%
2010	\$12.05	\$0.85	\$12.90	15.18%
2011	\$12.55	\$0.85	\$13.40	3.88%

Perhaps it's coincidence, but I find it interesting that after Maplewood began seriously discussing organized collection in late 2010, the next year's price increase was single-digit rather than double-digit.

To put these hauler price increases in context, consider what inflation has been like over these years in general terms and also specific to diesel fuel. Here is a table comparing those increases to the CPI¹ and average diesel prices².

Year	Hauler Price Increase	Inflation (CPI)	Diesel Price/Gallon	Diesel Price Change
2008	0.00%	4.10%	\$2.89	
2009	17.28%	0.10%	\$3.80	31.82%
2010	15.18%	2.70%	\$2.47	-35.13%
2011	3.88%	1.50%	\$2.99	21.28%

Diesel prices rocketed up almost 32% across 2008, leading this hauler to impose a fuel surcharge of 65 cents per month in 2009. The following year, when diesel prices *dropped more 35%* – and in fact averaged about *15% less than before the fuel surcharge was imposed* – “Hauler D” did not reduce or eliminate their fuel surcharge. On the contrary, they *increased the fuel surcharge by 20 cents a month, or nearly 31%! Last year diesel prices rebounded (ending up slightly higher than they were before the fuel surcharge was imposed), and the fuel surcharge was held flat.*

Looking at general inflation, the difference between the hauler price increases and the consumer is breathtaking: They've increased prices by 2.6 to 173 times the rate of inflation each year. If the total price had increased only in line with inflation, the customer would be paying around \$10.02 today, not \$13.40³.

In evaluating Maplewood's current open hauling system and comparing it to an organized system in economic terms, we should be aware of not only the current costs but also the prospect of shielding residents from arbitrary price increases that may, as in the past, far exceed the changes in general inflation or the cost of fuel.

FEES FOR EXTRA SERVICES

Finally, several of the bills include additional charges for various added or one-time services. This is obviously a very limited sample, but may be helpful as points of reference:

- **Bulky Item:** As an example charge for an additional bulky item, [Invoice 50b](#) includes a \$10 charge for a carpet that the customer threw away.
- **Extra Bags:** The customer on [Invoice 28](#) was charged \$18.00 for nine extra bags of trash in the previous month.

1 Using [December-to-December](#) comparisons for the period just ended; i.e., the 2011 number is the inflation figure for December 2010 over December 2009.

2 Using the [U.S. Energy Information Administration's](#) annual average prices per gallon for “Diesel (On Highway) – All Types” for the previous year, so the prices listed were the averages in 2007, 2008, 2009, and 2010.

3 According to the [BLS Inflation Calculator](#), \$9.55 in 2008 dollars is equivalent to \$10.02 in 2011.

- **Finance Charge:** [Invoice 4](#) has a 1.5% finance charge applied on a late/missed payment.
- **Yard Waste:** Three example bills include yard waste, giving us some idea of the current range of prices for this service. [Invoice 27c](#) has a \$95 charge for the season; a handwritten note on [Invoice 53](#) indicates that the household paid \$112.34 for 7 months of yard waste pick-up on their previous bill; and [Invoice 54c](#) shows a yard waste charge of \$159.57 for the season.

RECOMMENDATION

If we do not adopt an organized collection plan, I believe we should amend our ordinance to more effectively implement rate reporting and volume-based pricing.

I suggest that rates should be required to include any surcharges or added fees that are applied to basic service, such as fuel surcharges. These charges are ultimately just another hauler revenue source, and can represent a significant portion of a trash bill (especially since they are subject to the same taxes as the base rate). If the point of rate reporting is to enable our residents to easily compare their choices, we should require this information to be submitted.

The current rate reporting forms clearly request standard rates, not special or introductory rates. However, many residents are charged substantially more, and in at least one instance a resident told me that when he inquired about the rates on the city website, he was told that those were only for new customers. Similarly, the ordinance is clear about volume-based pricing, because of the public interest and need to reduce the volume of trash, yet there is a disconnect between price and volume out in the marketplace.

If we have an interest in effectively enforcing the ordinance, I think we need a range of incremental penalties short of the suspension and revocation of license that is now the only remedy at hand. If the council wishes to retain the open hauling system, I recommend that we direct staff and legal counsel to research and report back to us on what other penalties we might write into the ordinance so that there would be actual consequences to breaking the city's rules, and better compliance.