

## Special Committee on Solid Waste

Meeting Date: April 10, 2018

### History of Non-Residential Franchise

- Created through Ordinance 93-1774-1411
- Franchise requirement enacted in February 1997 with a 12% franchise fee
- Recorded revenue from franchise haulers began in April 1997
- Tipping fees significantly reduced at Trail Ridge when franchise was enacted
  - Established volume based tipping fees effective through February of 2008
  - Self-Haulers were set at a higher tipping fee without volume pricing
- Ordinance 2004-897-E increased the franchise fee to 17% (effective Jan. 1, 2005)
- Tipping fees reduced upon increase in franchise fee (but were later increased)

\* The setting of the franchise fee percentage and related changes to the tipping fees appear to be based upon revenue goals – no specific back-up on determining the percentages was identified via our research

### History of Host Fee Program

- Began in fiscal year 1984/85 and known as the Resource Recovery Program Fee
- In the early years of the program, Council approved Bills intended for various funding categories (see attached spreadsheet):
  - 1985-1993 – Landfill Replacement Fund
  - 1985-1990 – Recreational Development Fund (Park creation)
  - 1985-1990 – Resource Recovery Implementation Fund (Alternate Disposal Options)
  - 1988-present – Contamination Assessment and Remediation Fund
  - 1988-1989 – Recycling Fund (Curbside Recycling)
  - 1988-Present – Landfill Closure Fund
  - 1990-Present – Class I Mitigation Fund
- In 1993, the Host Fee Program was much in the form it is today but at \$6.16
  - 1993-Present – Enterprise Fund
  - 1993-Present- Private Facility Mitigation Fund
  - Class I Mitigation fund continued
  - Contamination Assessment Fund continued
  - Landfill Closure fund continued
- Host Fee Program increased to \$7.16 via 2006-884-E. This added \$1.00 to the Enterprise Fund as an apparent revenue-based need.

\* Historically, the host fee has not been modified in relation to changes made in the tipping fee or franchise fee.

**Consideration of an Outline for a C&D Franchise**

Revenue Goal of C&D Franchise:

- Administrative Costs for C&D Franchise program: \$250,000 (as previously discussed)
- Financial impacts of C&D leaving the County without a host fee: \$550,000 (estimated loss of between \$500,000-600,000 as previously discussed)
- **NEW to the Discussion –**
  - Reduce the proposed 12% Franchise fee to 5%
  - Reduce C&D Tipping fees at Trail Ridge Landfill – Cost of reducing tipping fee \$2.00 per ton for future C&D franchise haulers: We estimate an annual average of 125,000 C&D tons @ \$2.00/ton = \$250,000 (new tipping fee for C&D franchise haulers at TRLF would be \$27.87 per ton)
  - Revenue Goal of C&D Franchise: \$250,000 + \$550,000 + \$250,000 = \$1,050,000
  - No changes to the host fee collected

Minimum Expected Gross Receipts of C&D Haulers: \$25,000,000

C&D Franchise Fee revenue based on 5% of expected minimum gross receipts = \$1,250,000 = (\$25,000,000 x 5%)

Therefore, the recommendation would be for a 5% C&D franchise fee if we implement this program, lower the C&D tipping fee at Trail Ridge by \$2.00, and make no changes to the host fee.

Should the tipping fee desired to be reduced further, you would add 0.5% C&D franchise fee for every \$1.00 reduction in tipping fee.

FISCAL YEAR	Ordinance	Total Charge per ton*	LANDFILL TIPPING FEES						Resource Recovery Program Fees (1984-1990) - Host Fee Program (1991-Present)								
			Residential	Non-Residential-(Monthly Volume based 1997-2008)	Self Haulers (Non-Franchised) (1997 to 2008)	Construction & Demolition Tons			Total Host Fee Charge per ton	Landfill Replacement Fund (1985-1992) Enterprise Fund (1993 to present)	Recreational Development Fund (1985-1990)	Resource Recovery Implementation Fund (1985-1990) Facility Mitigation Fund (1990-1991)	Contamination Assessment & Remediation Fund (1988-present)	Recycling Fund (1988-1989)	Landfill Closure Fund (1988-present)	Class I Landfill Mitigation Fund (1991-present) Private Facility Mitigation Fund (1993-Present)	Trail Ridge Tons
						ALL C&D	Monthly tons Less than 3,000 (1997-2008)	Monthly tons Between 3,000 to 6,000 (1997-2008)									
84/85	84-1398-734	\$ 11.70	8.70	8.70		8.70			\$ 3.00	1.72	0.38	0.90					
85/86	85-1191-612	\$ 11.50	8.70	8.70		8.70			\$ 2.80	1.72	0.18	0.90					
86/87	87-1421-768	\$ 11.50	8.70	8.70		8.70			\$ 2.80	1.72	0.68	0.40					
87/88	88-1426-703	\$ 15.84	8.70	8.70		8.70			\$ 7.14	3.74	0.68	0.91	0.53	1.23	0.05		
88/89	89-872-405	\$ 37.00	30.39	30.39		30.39			\$ 6.61	3.03	0.70	0.81	0.54		1.53		
89/90	90-720-352	\$ 50.00	43.55	43.55		43.55			\$ 6.45	3.44	0.29	0.50	0.24		1.98		
90/91	91-346-154	\$ 50.00	43.55	43.55		43.55			\$ 6.45	3.44	0.29		0.24		1.98	0.50	
91/92	** 91-919-367	\$ 55.00	48.84	48.84		48.84			\$ 6.16	3.44			0.24		1.98	0.50	229,664
92/93	92-1079-943	\$ 55.00	48.84	48.84		48.84			\$ 6.16	3.44			0.24		1.98	0.50	632,801
93/94	93-101-35	\$ 59.00	52.84	52.84		52.84			\$ 6.16	3.44			0.24		1.98	0.50	643,450
94/95		\$ 59.00	52.84	52.84		52.84			\$ 6.16	3.44			0.24		1.98	0.50	624,775
95/96		\$ 59.00	52.84	52.84		52.84			\$ 6.16	3.44			0.24		1.98	0.50	515,136
96/97	*** 93-1774-1411	\$ 30.00	23.84						\$ 6.16	3.44			0.24		1.98	0.50	520,454
		\$ 36.00		29.84		29.84			\$ 6.16	3.44			0.24		1.98	0.50	
		\$ 33.00		26.84			26.84		\$ 6.16	3.44			0.24		1.98	0.50	
		\$ 30.00		23.84				23.84	\$ 6.16	3.44			0.24		1.98	0.50	
		\$ 40.00			33.84				\$ 6.16	3.44			0.24		1.98	0.50	
97/98																	595,517
98/99																	666,742
99/00																	771,668
00/01																	834,932
01/02																	847,190
02/03																	883,111
03/04																	950,400
04/05	**** 2004-897-E	\$ 25.00	18.84						\$ 6.16	3.44			0.24		1.98	0.50	1,011,283
		\$ 31.00		24.84		24.84			\$ 6.16	3.44			0.24		1.98	0.50	
		\$ 28.00		21.84			21.84		\$ 6.16	3.44			0.24		1.98	0.50	
		\$ 25.00		18.84				18.84	\$ 6.16	3.44			0.24		1.98	0.50	
		\$ 40.00			33.84				\$ 6.16	3.44			0.24		1.98	0.50	
05/06	2005-807-E	\$ 28.50	22.34						\$ 6.16	3.44			0.24		1.98	0.50	983,570
		\$ 34.50		28.34		28.34			\$ 6.16	3.44			0.24		1.98	0.50	
		\$ 31.50		25.34			25.34		\$ 6.16	3.44			0.24		1.98	0.50	
		\$ 28.50		22.34				22.34	\$ 6.16	3.44			0.24		1.98	0.50	
06/07	2006-884-E	\$ 29.50	22.34						\$ 7.16	4.44			0.24		1.98	0.50	846,730
		\$ 35.50		28.34		28.34			\$ 7.16	4.44			0.24		1.98	0.50	
		\$ 32.50		25.34			25.34		\$ 7.16	4.44			0.24		1.98	0.50	
		\$ 29.50		22.34				22.34	\$ 7.16	4.44			0.24		1.98	0.50	
		\$ 41.00			33.84				\$ 7.16	4.44			0.24		1.98	0.50	
07/08	2007-1298-E	\$ 29.50	22.34						\$ 7.16	4.44			0.24		1.98	0.50	613,422
		\$ 29.87		22.71	22.71	22.71			\$ 7.16	4.44			0.24		1.98	0.50	
08/09																	745,898
09/10																	722,782
10/11																	698,624
11/12																	698,940
12/13																	699,935
13/14																	724,334
14/15																	737,905
15/16																	763,473
16/17																	770,121

\* Charge for Service\* during 1984 to 1987 began with a "base charge" per ton (shown above) including the host fees. The tipping fee per ton was then assessed and added by the "type of vehicle" delivering the waste based on the size/type or number of tires/axels on the vehicle.  
 \*\* Trail Ridge Landfill started receiving waste May 1992.  
 \*\*\* Ord. 93-1774-1411 created the Non-Residential Franchise and 12% of Gross Receipts Franchise Fee. Haulers applied and were granted the Franchise after February 1997. The First revenues were recorded in April 1997  
 \*\*\*\* Ord 2004-897-E increased the Non-Residential Franchise Fee to 17% for FY 2004/2005.