

**CITY OF CHARLOTTESVILLE, VIRGINIA  
CITY COUNCIL AGENDA**



Agenda Date:	March 4, 2025
Action Required:	The presentation is intended to update City Council on the City's Solid Waste Rate Study for discussion related to next steps.
Presenter:	Steven Hicks, Director of Public Works
Staff Contacts:	Steven Hicks, Director of Public Works Jonathan Dean, Public Service Manager
Title:	<b>Solid Waste Program Presentation</b>

### **Background**

The City of Charlottesville, Virginia ("City"), relies on revenue from the sale of stickers and decals to fund solid waste collection, disposal, and processing. The revenue generated is not sufficient to cover the direct costs of the City's contracts for collection, disposal, and processing. In the current Fiscal Year, revenues from the sale of stickers and decals is estimated to be approximately \$1.1 million, while expenses for collection, disposal, and processing are expected to be \$2.7 million. The City also offers additional services such as leaf collection, large-item collection, drop-off programs, and other related services that cost an additional \$1.1 million per year. The initial rate recommendation does not recover these additional service costs.

Many communities have moved to a monthly fee for solid waste and recycling services. Based on the benchmarking of fifteen (15) cities in Virginia, the average monthly rate was \$25.05 per month, based on a sixty-four (64)-gallon cart (or equivalent). The monthly rate typically includes refuse and recycling collection, disposal, recycling processing, as well as additional services such as large item collection, leaf/yard waste collection, drop-off programs, and administrative costs.

The City's refuse collection agreement has been in place since November 2015, and is set to expire in July 2026. In May 2024, the City signed an agreement for disposal and recycling processing services. In September 2024, the City signed a new recycling collection contract for cart-based recycling collection. In December 2024, after a competitive procurement process, the City contracted with consulting firm NewGen Strategies and Solutions, LLC ("NewGen"), to analyze the cost of service for solid waste, and provide recommendations for rate structures that would allow the City to increase revenue, while still meeting other key criteria.

### **Discussion**

NewGen will present a summary analysis of the current cost of service, benchmarking of solid waste rates from other cities in Virginia, criteria for an alternate rate structure, and recommendations for implementing a cart-based pay-as-you-throw ("PAYT") Program, with a tiered monthly rate.

## **Alignment with City Council's Vision and Strategic Plan**

A PAYT System encourages residents and businesses to recycle more, which supports *Climate Action*. The rates for solid waste services can be implemented to increase the financial sustainability of the program, while also being less expensive than many peer communities in Virginia, which supports *Economic Prosperity*. A PAYT System would align the City with industry best practices, supporting *Organizational Excellence*.

## **Community Engagement**

There will be Budget Public Hearings for community input. City Public Works has collaborated with Budget and Performance Management, the Treasurer's Office, and the Office of Sustainability to inform the progression of this rate study.

## **Budgetary Impact**

If the PAYT Program is implemented, the City will need to finalize the financial terms of the contract with its current collection provider, GFL Environmental, Inc., or incorporate cart-based collection in the next contract once the existing Agreement expires in July 2026. Refuse carts will need to be purchased and distributed to all participating households and businesses, either directly by the City or its collection contractor. If the recommendation is not followed, then the City will continue to subsidize costs with the General Fund. The subsidy is currently \$1.6 million.

## **Recommendation**

Implement an across-the-board sticker and decal price increase of twenty-five (25%) (e.g., a large sticker would increase from \$2.10 to \$2.60, a thirty-two (32)-gallon decal would increase from \$94.50 to \$118 per year) for FY 2026 and use FY 2026 to plan the implementation of a PAYT System, with a tiered monthly rate structure no later than FY 2027. The implementation planning would also include procurement of the next refuse collection contract.

In addition, the City Ordinance should be amended so that the City, or its designated contract hauler, is the exclusive provider for residential collection.

## **Alternatives**

Increase sticker and decal prices or continue to subsidize solid waste and recycling services through the City's General Fund.

## **Attachments**

1. Solid Waste Program Presentation