



## CITY OF WASILLA

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COUNCIL MEMORANDUM NO. 92-28

FROM: Deputy Administrator

DATE: March 3, 1992

RE: Solid Waste Disposal Fees

The attached Borough Assembly document indicates the direction in which the Borough is planning to impose fees for solid waste disposal. Prior to 1989, the Borough was charging the City of Wasilla approximately \$120,000 annually for solid waste fees. The basis of the computation was a ratio of City population to the Borough wide solid waste budgets. Upon objection by the cities of Palmer and Wasilla, the Borough agreed to use only the cost of operating the central landfill (plus a portion of administrative costs) as the basis of City fees. The change resulted in a City annual fee of about \$35,000.

If predicated on the total Borough solid waste budget the proposed new approach to establishing fees will be unfair to City taxpayers and is less desirable to non-City households for the following reasons:

- (1) The cost per household throughout the Borough will be equal while the service provided is significantly unequal. Persons in Wasilla (and nearby) either pay a commercial hauler or personally take their solid waste to the central landfill. Households outside of the local area will have the use of expensive trash transfer stations and will have their solid waste hauled by a Borough-paid commercial hauler to the central landfill. The cost of operating the central landfill is about 1/4 the total Borough solid waste budget which translates to a 4 - 1 subsidy ratio paid by City households.
- (2) A 'fee' as proposed by the Borough is not deductible from federal income tax for the average household. The same 'fee', if part of the property tax structure as in the present method, is deductible. Further, a great percentage of property tax is paid by non-residents. The new fee would shift the entire burden to residents.

Recommend that the Wasilla City Council request the Administration to express the City's concerns about the proposed solid waste fee system and to negotiate with the Borough to achieve the lowest costs for City households.

Robert E. Harris  
Deputy Administrator

Approved 3/9/92 *RDH*

FOR AGENDA OF: March 3, 1992

AM NO. 92-052

SUBJECT: SOLID WASTE FEE SYSTEM

ATTACHMENTS:

ROUTE TO:	DEPT/COMMITTEE/INDIVIDUAL	INITIALS	REMARKS
	(Please review & return to originator) Ext 808		
1	Public Works Director	<i>lc</i>	
2	Finance Director	<i>RL</i>	
3	Attorney		
4	Manager		
5	Mayor	<i>G.M.</i>	

Per the direction of the assembly at its February 22, 1992 budget worksession, the Public Works Department will develop and initiate a revenue system to cover the cost of solid waste services throughout the Borough. The revenues will no longer be generated by non-areawide taxes. Instead, each household will be billed an annual fee to be equal throughout the Borough. The incorporated cities will be charged a fee equal to the number of resident households within their boundaries. The borough will bill all households outside the cities. Special provisions will be made for the collection of fees from commercial waste generators.

These new revenue collection methods will be initiated by July 1, 1992 after comments from the public have been received and reviewed by the assembly.

**RECOMMENDED ACTION:**

The Administration recommends that the Assembly authorize Public Works to develop a new solid waste fee collection system for public comment and return with final recommendations to the Assembly prior to June 1, 1992.

Approved: *Donald L. Moore*  
Donald L. Moore  
Borough Manager