

Agenda Item #9

**CITY OF SAN ANTONIO
ENVIRONMENTAL SERVICES DEPARTMENT
CITY COUNCIL AGENDA MEMORANDUM**

TO: Sheryl Sculley, City Manager

FROM: Daniel V. Cárdenas, Director, Environmental Services Department

SUBJECT: Proposed Revisions to Chapter 14 Regarding Waste Hauler Permitting Process

DATE: June 29, 2006

SUMMARY AND RECOMMENDATIONS

An Ordinance amending Chapter 14 of the City Code regarding the solid waste hauler's permit and fee program by clarifying enforcement options, including, but not limited to, discounts for early permit payments, as well as late fee charges; limiting city projects to performance by only compliant haulers; and adjusting enforcement notice requirements; allowing a one-time amnesty opportunity for non-compliant haulers.

BACKGROUND INFORMATION

As authorized by City Code, the Environmental Services Department (ESD) assesses a waste hauler permit fee per truck on an annual basis encompassing a twelve-month period from May through April. The assessed fee is one of the revenues in the Environmental Services Enterprise Fund. The current fees structure is:

- \$2,250 a year per vehicle with 7,000 lbs gross vehicle weight
- \$150 a year per vehicle with 6,999 lbs or less gross vehicle weight

The permit allows commercial operators to use City streets and City rights of way to haul solid waste for business purposes. The City performs as host and regulator to these numerous commercial operations whose solid waste businesses or enterprises either generate waste or haul waste for profit. Commercial operations impose social overhead costs on the City's resources.

During the last year, various large hauling companies complained of inequity in that the small hauler's trucks were not being permitted consistently and thus not meeting City requirements. In response, ESD increased monitoring and enforcement of the permit requirements, which in turn spurred small haulers to voice opposition to the established fee methodology as favoring the larger businesses. To address concerns of both large and small haulers, a new methodology for assessing the Waste Hauler Permit Fee was evaluated by staff. In the intervening months, staff proceeded as follows:

- Held meetings with the waste haulers on issues and concerns.
- Met with various Council members to discuss options.
- Reviewed and reevaluated alternate fee assessment methodologies.
- Researched the fees charged by other cities.

Over the past months, as meetings with waste haulers were conducted and the evaluation of the fee structure was underway, some businesses viewed the situation, and the possibility of an impending revision to the permit fee structure, as an opportunity to delay or refuse to pay their 2005 permit fees. Continued dialogue with representatives of the solid waste hauling companies has resulted in the staff's recommendation to maintain the current fee schedule and enhance the existing permitting process by providing payment alternatives to the waste haulers. Quarterly permits and payments are available on a regular basis. In addition, waste haulers will be allowed up to six (6) months to pay past due 2005 and other years' permit fees without penalty if the haulers are current with their 2006 quarterly permit fees.

Staff is proposing that Chapter 14 of the City Code be amended to incorporate the following Waste Hauler Permit enhancements:

- ☐ Pro-rate the permit fee for new trucks added on an annual basis (pro-rate based on months remaining for that permit year when truck is added to fleet)
- ☐ Discount 10% for early full annual or quarterly payments; charge 10% penalty for late payments
- ☐ Require City contractors and subcontractors to be current with permits and fee payments to be eligible to perform City contracts; eligibility verified by appropriate contracting department in coordination with Environmental Services Department
- ☐ Operators (permit holders) who change names or transfer permits by sale or transfer of business interests must notify the City and pay an administrative transfer fee as established by ordinance
- ☐ Strike the ten (10) day notice requirement that now predicates enforcement action

POLICY ANALYSIS

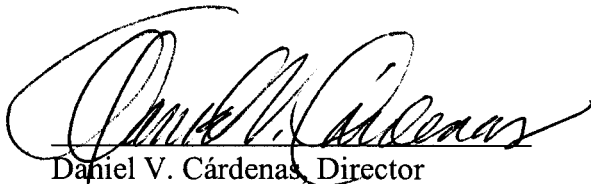
This action is consistent with City Council direction to provide an equitable method of assessing a fee to all solid waste haulers regardless of the origin of the waste or the classification of the waste hauler. The proposed amendments to Chapter 14 of the City Code, as coordinated with the City Attorney's Office, will enhance the Waste Hauler Permitting Program along with clearer requirements regarding the collection of permit fees.

FISCAL IMPACT

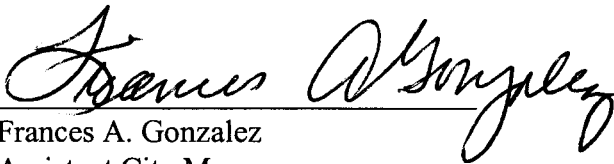
The amount of revenue budgeted for FY 06 from the Waste Hauler Permit Fee was \$1.1 million; however, the actual amount expected is \$700,000 resulting in a shortfall of \$400,000. The total Environmental Services Fund revenues for FY 06 were budgeted at \$60.5 million and the FY 06 re-estimate is \$60 million.

COORDINATION

This ordinance has been coordinated with the City Attorney's Office and the Office of Management and Budget.

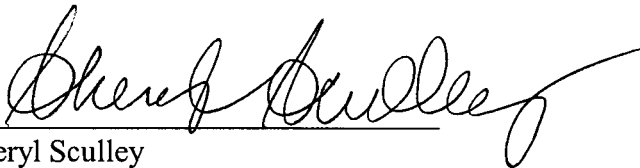
A handwritten signature in black ink, appearing to read "Daniel V. Cardenas", written over a horizontal line.

Daniel V. Cárdenas, Director
Environmental Services Department

A handwritten signature in black ink, appearing to read "Frances A. Gonzalez", written over a horizontal line.

Frances A. Gonzalez
Assistant City Manager

APPROVED FOR COUNCIL CONSIDERATION

A handwritten signature in black ink, appearing to read "Sheryl Sculley", written over a horizontal line.

Sheryl Sculley
City Manager