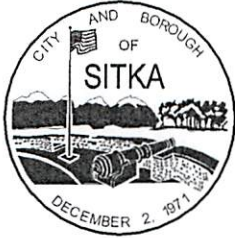


## **POSSIBLE MOTION**

**I MOVE TO** approve removal of the Solid Waste 4x4 route from the Solid Waste Collection Contract to reduce operating costs by approximately \$71,500 per year.



# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

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## MEMORANDUM

**To:** Mayor Hunter and Assembly Members  
Keith Brady, Municipal Administrator

**From:** Michael Harmon, P.E., Public Works Director *[Signature]*  
Harry Greene, M & O Superintendent *[Signature]*

**Reviewer:** Jay Sweeney, Chief Finance and Administrative Officer *[Signature]*

**Date:** February 28, 2018

**Subject:** Remove the Solid Waste 4x4 Route to reduce expenses by approximately \$71,500 per year.

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### Background

Back in September 26, 2017 the Assembly approved a budget adjustment to the Solid Waste fund to account for the increased costs associated to the new collection and off-island contracts. At that time, we highlighted the need to look for ways to cut costs to help reduce future rate increases and help the fund finish the year in a stronger position. This agenda item proposes removing the 4x4 routes and reduce our operating costs by approximately \$71,500 per year.

Key background associated to the 4x4 route:

- The 4x4 route provides specialty service on roads not maintained by the CBS which are too difficult and dangerous for the automated trucks to traverse.
- These routes serve 97 customers (see attached maps outlining customers with specialty service).
- This service was created over the past 20 plus years by a prior contractor who took it upon themselves to provide this service outside the contract requirements at no additional cost to CBS.
- It is not clear why the past contractor provided this service to some customers and not others (it appears to be somewhat random).
- During the master planning process, this route was identified as costly, in some cases dangerous, potentially expensive, and likely to be an issue under a new contract/contractor. At that time it was unknown who all received this service and the cost.

- As expected, our new contractor identify this route as a problem and recommended this service to be dropped due to cost, safety, and inequity of service.

Separate from the 4x4 route, Alaska Waste is able to provide a “pack-out” service for homes within 30 feet of the automated truck routes. Before the contractor performs the requested service, the contractor will assess the service area to determine if it is safe to perform. This service entails the driver getting out of their truck and hand carrying the trash from the house to the truck. This is a service Alaska Waste is willing to continue for an additional fee of \$11.50 per month. Customers who are eligible will sign up with Alaska Waste and pay them the additional fee directly and they will administer the program.

### **Analysis:**

The attached map shows the customers currently receiving specialty service without an additional fee. The yellow properties would potentially be eligible for the pack-out service and the blue outlined properties are on the 4x4 route. Currently these services require an addition crew and 4x4 truck. The cost for these specialty services is currently being subsidized by all rate payers.

If the 4x4 route was eliminated, impacted customers would need to move their trash container to a designated area where an automated truck can safely traverse to pick the container. For some this would mean moving their trash container a significant distance from their house to a CBS maintained road on days it needs to be picked up. Some areas will have several cans that will need to be placed in groups at a specific location. A few areas may need to go to a shared tub if there is not enough property available to have several containers staged for pickup. This is how some customers already manager their containers in the winter months.

If the cost of this service was paid by the users of the service, the additional fee would be approximately \$737.00 per year per customer (based on the current number of customers on the 4x4 route). This fee would be above and beyond the standard solid waste fee of \$51.99 per month for a 90 gallon container. This is a high user fee that would likely not be popular and customers may choose not to participate. Under a user fee model, it would be assumed that the service was optional. The less users selecting this service, the higher the fee would need to be to cover the cost over a smaller customer base. For these reason, we believe a special user fee would be unpopular and therefore unfeasible. It is our recommendation to consider two primary options as follows:

### **Maintain 4x4 route (subsidized by all rate payers approximately \$71,500 per year):**

#### **PROS:**

- Maintains a high level of service that customers have come to expect in Sitka (service satisfaction)
- No special high fees per month for the users on this route.

- No need to have additional shared tubs or groups of containers located in front of someone's house or along the road.

**CONS:**

- This is an increased cost to the Solid Waste contract which is paid by everyone although only a select few receive benefit.
- The program would need to be revamped so it is available for everyone vs. the current favoritism approach. If it is available to everyone the costs may increase and the efficiency reduced as we move away from automated trucks to more 4x4 pickup trucks routes with heavy labor. This is currently the problem other communities have who are working hard to model Sitka in becoming efficient with automated trucks and reduced cost.
- Higher risk for truck damage, safety problems, and employees out on injury. If a truck or employee is out of service, we are an isolated community and it is not something that can be mitigated overnight.

**Remove the 4x4 route (reduce expenses by approximately \$71,500 per year):**

**PROS:**

- This is an increased cost of approximately \$71,500 per year to the Solid Waste contract which is approximately a 2% rate increase for everyone.
- Reduced risk for truck damage, safety problems, and employees out on injury. If a truck or employee is out of service, we are an isolated community and it is not something that can be mitigated overnight.
- Significant reduced risk in workers injury.
- Less equipment and trucks to maintain.

**CONS:**

- Reduction of service means approximately 97 customers will need to transport their trash containers to a location the automated trucks can safely traverse. In many cases this is a significant distance from someone's home.
- Some areas will have several cans that will need to be placed in groups at a specific location. This may be viewed as an impact to some homes who do not want groups of containers by their home and will increase the cluttering of containers on some streets.
- A few areas may need to go to a shared tub if there is not enough property available to have several containers staged for pickup. Communal containers usually generate complaints about inequitable use of the container.
- Although this change will reduce pressure on rate increases, we will still need a rate increase to be sustainable given the contracts increase by the CPI every year. Customers will be getting reduced services with increased fees.

**Fiscal Note:**

Dropping the 4x4 route will reduce labor and equipment cost ultimately decreasing the cost of the contract by approximately \$1,000,000 over the remaining 14-years of the contract

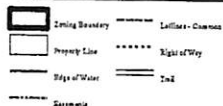
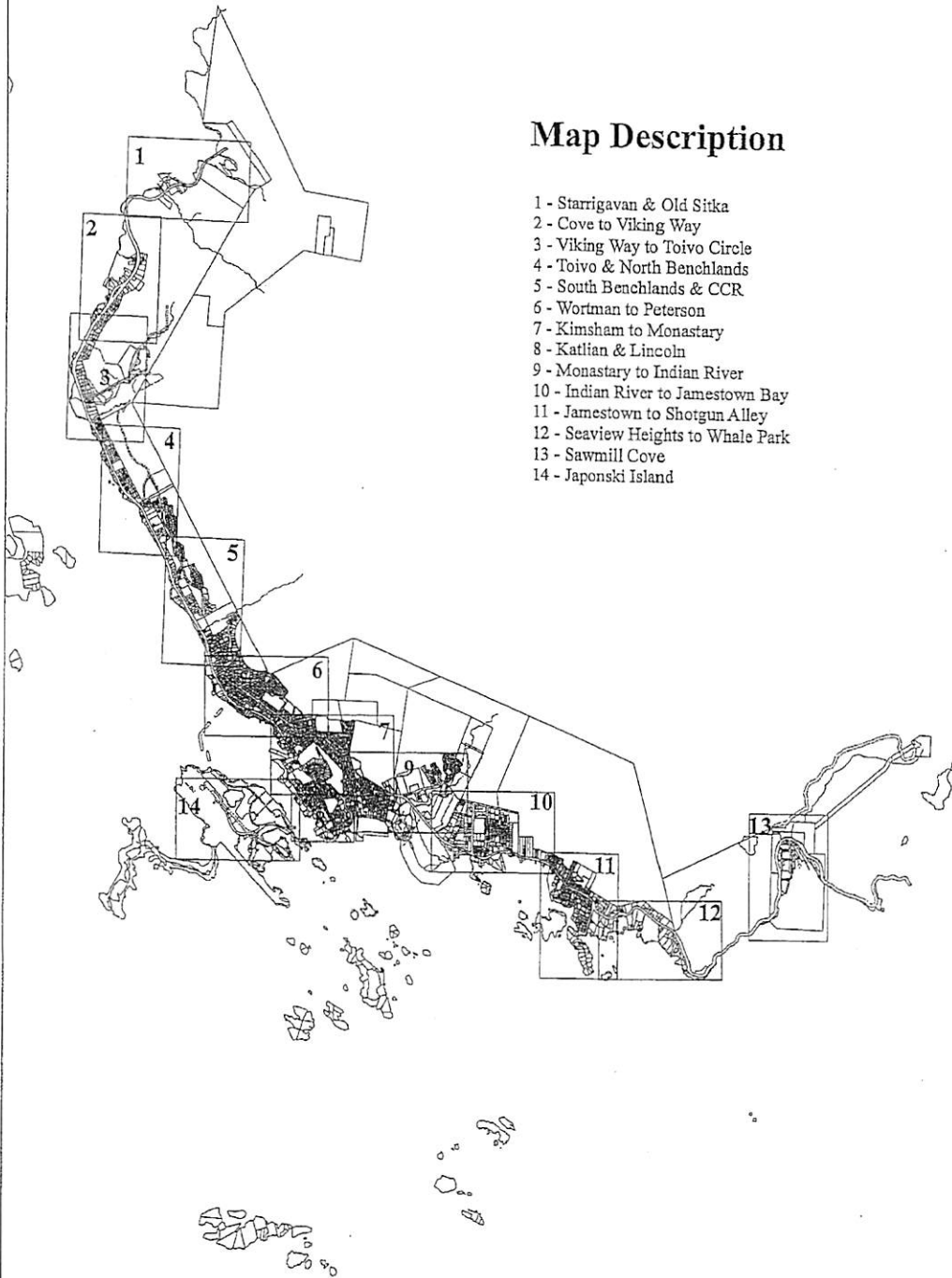
FY19 draft budget was developed with the assumption that the 4x4 route will be discontinued. If the Assembly chooses to maintain the 4x4 route, the proposed appropriation for collection expenses in the FY19 draft budget will need to be increased by \$71,500.

**Recommendation:**

Remove the 4x4 routes and reduce our operating costs by approximately \$71,500 per year.

## Map Description

- 1 - Starrigavan & Old Sitka
- 2 - Cove to Viking Way
- 3 - Viking Way to Toivo Circle
- 4 - Toivo & North Benchlands
- 5 - South Benchlands & CCR
- 6 - Wortman to Peterson
- 7 - Kimsham to Monastery
- 8 - Katlian & Lincoln
- 9 - Monastery to Indian River
- 10 - Indian River to Jamestown Bay
- 11 - Jamestown to Shotgun Alley
- 12 - Seaview Heights to Whale Park
- 13 - Sawmill Cove
- 14 - Japonski Island

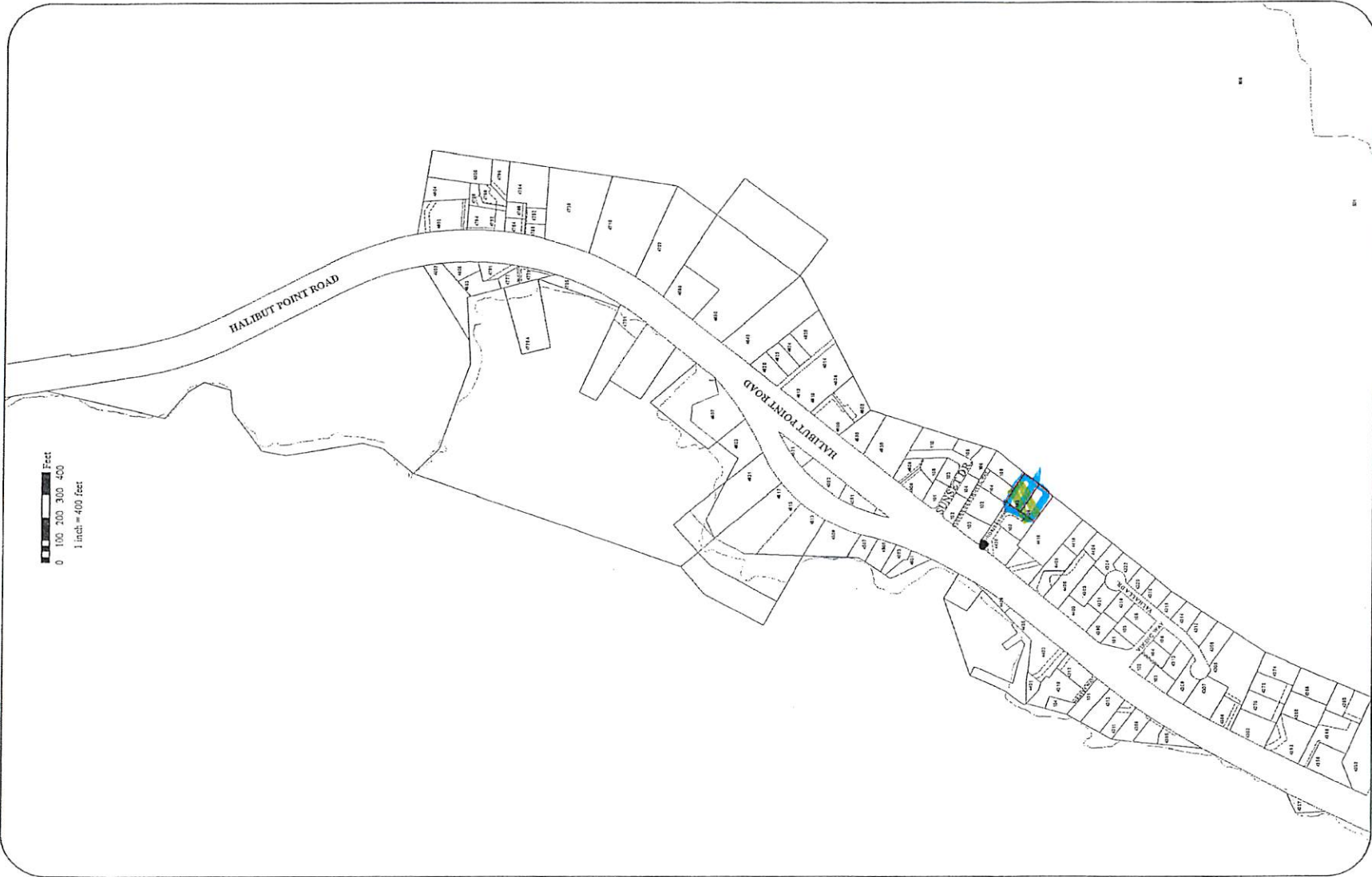


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Planning Department  
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Sitka Road System  
Address Maps  
Index Map

Revisions	
No.	Description





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City and Borough of Sitka  
**Address Maps**  
 Cover to Viking Way

**Legend**

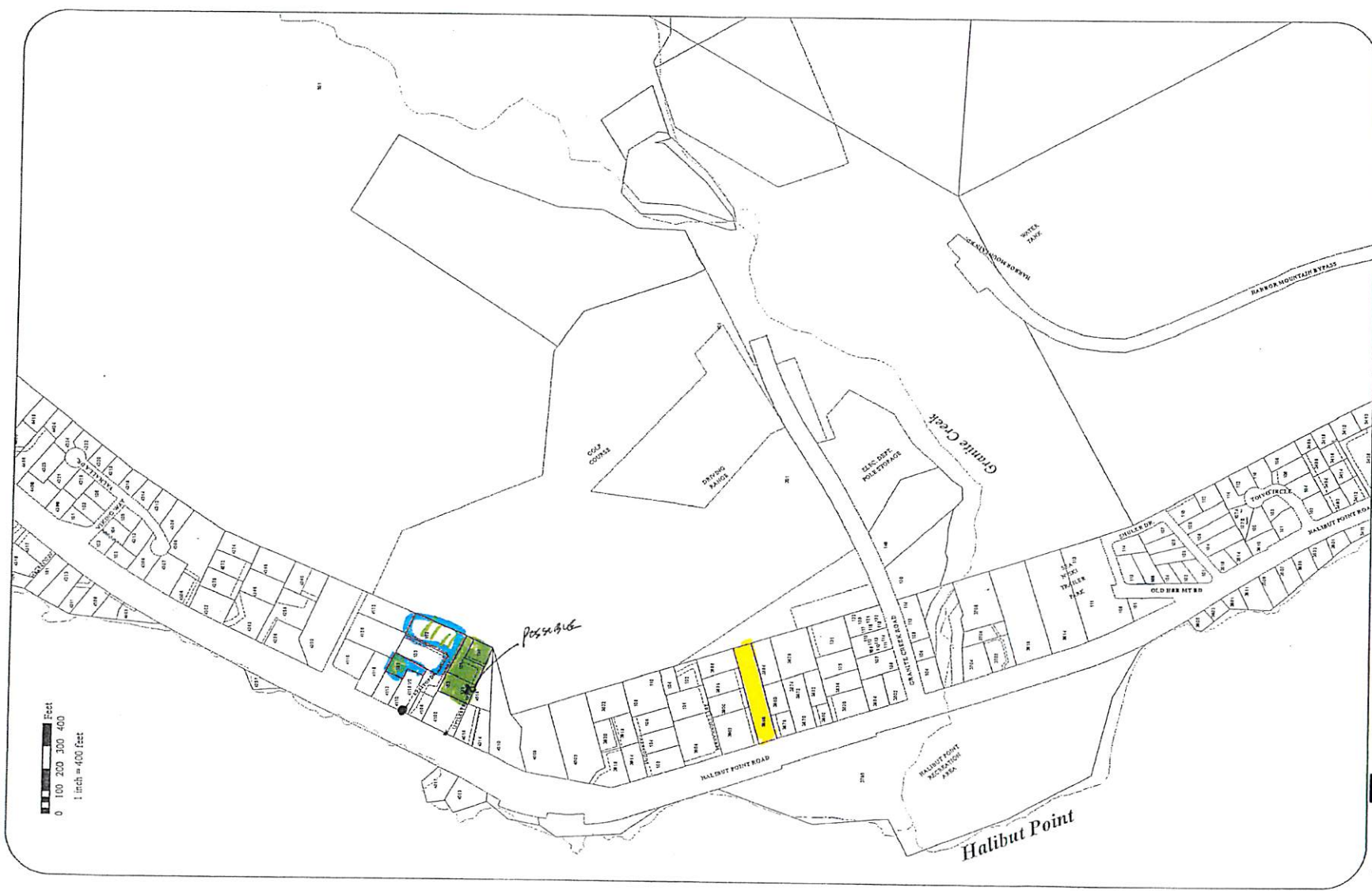
- Zoning Boundary
- Property Line
- Old Lot Line
- Flood
- Easement
- ROW
- Trail
- Edge of Water

**Revisions**

No.	Date	Description

Sheet  
 Number  
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 of 14





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1 inch = 400 feet

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**Sitka Road System**  
Address Maps  
Village Way to Tolvo Circle

**Legend**

- Zoning Boundary
- Trail
- Property Line
- Old Lot Line
- Easement
- Right of Way (ROW)
- Edge of Water

**Revisions**

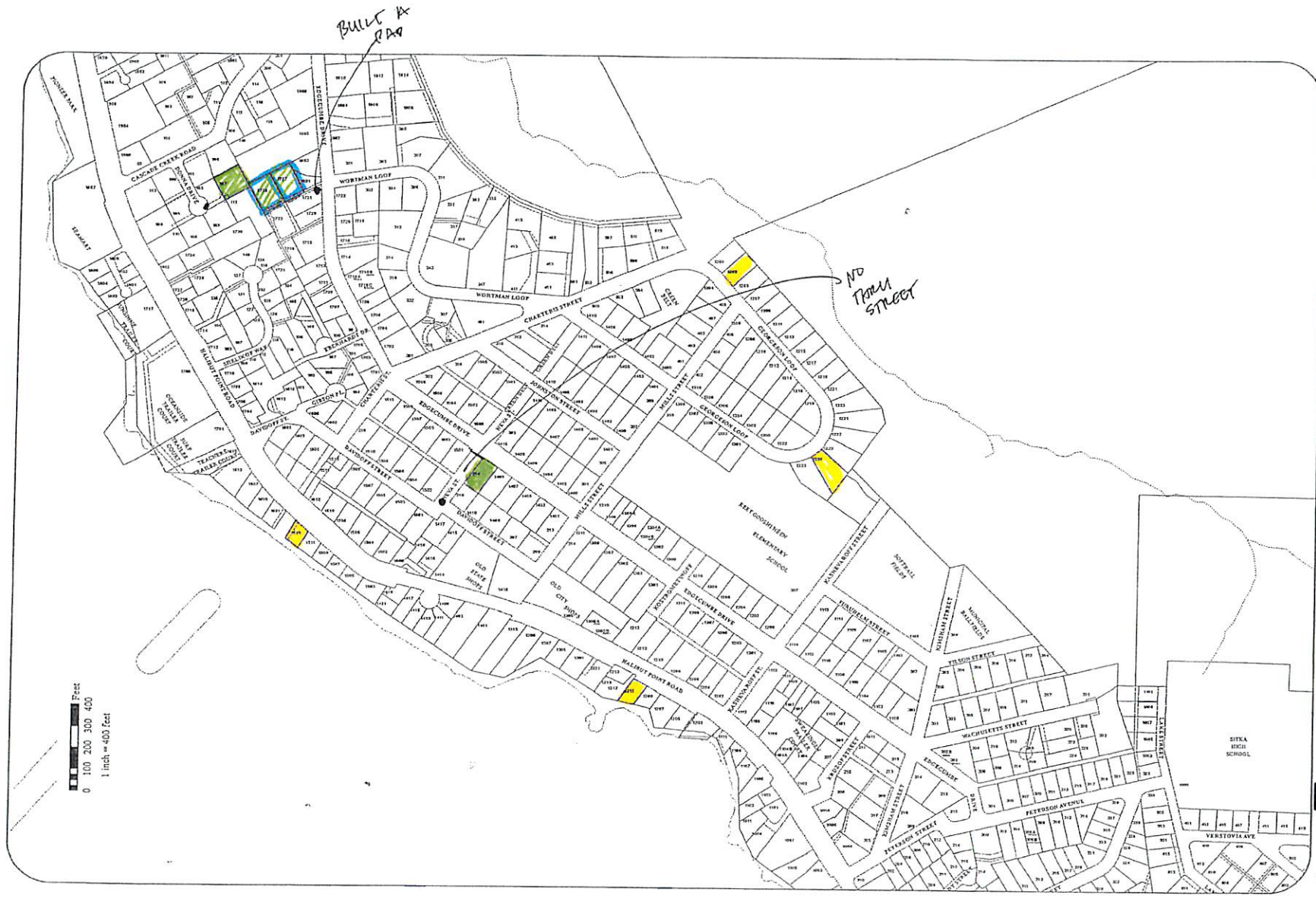
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**Sitka Road System**  
Address Maps  
Worthington to Peterson

**Legend**

- Zoning Boundary
- Trail
- Property Line
- Old Lot Line
- Property Line
- Right of Way

**Revisions**

No.	Date	Description

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Revisions	Drawn
1	10/04
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**Sitka Road System  
Address Maps**  
Kimham to Monastery

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**Legend**

- Thick solid line: Main Street
- Dashed line: Zoning Boundary
- Thin solid line: Property Line
- Thin dashed line: Old Lot Line
- Thin dotted line: Flood
- Thin dash-dot line: Easement
- Thin dotted line: ROW
- Thin dash-dot-dot line: Edge of Water





- Legend**
- Main Street
  - Zoning Boundary
  - Old Lot Line
  - Property Line
  - Easement
  - ROW
  - Edge of Water

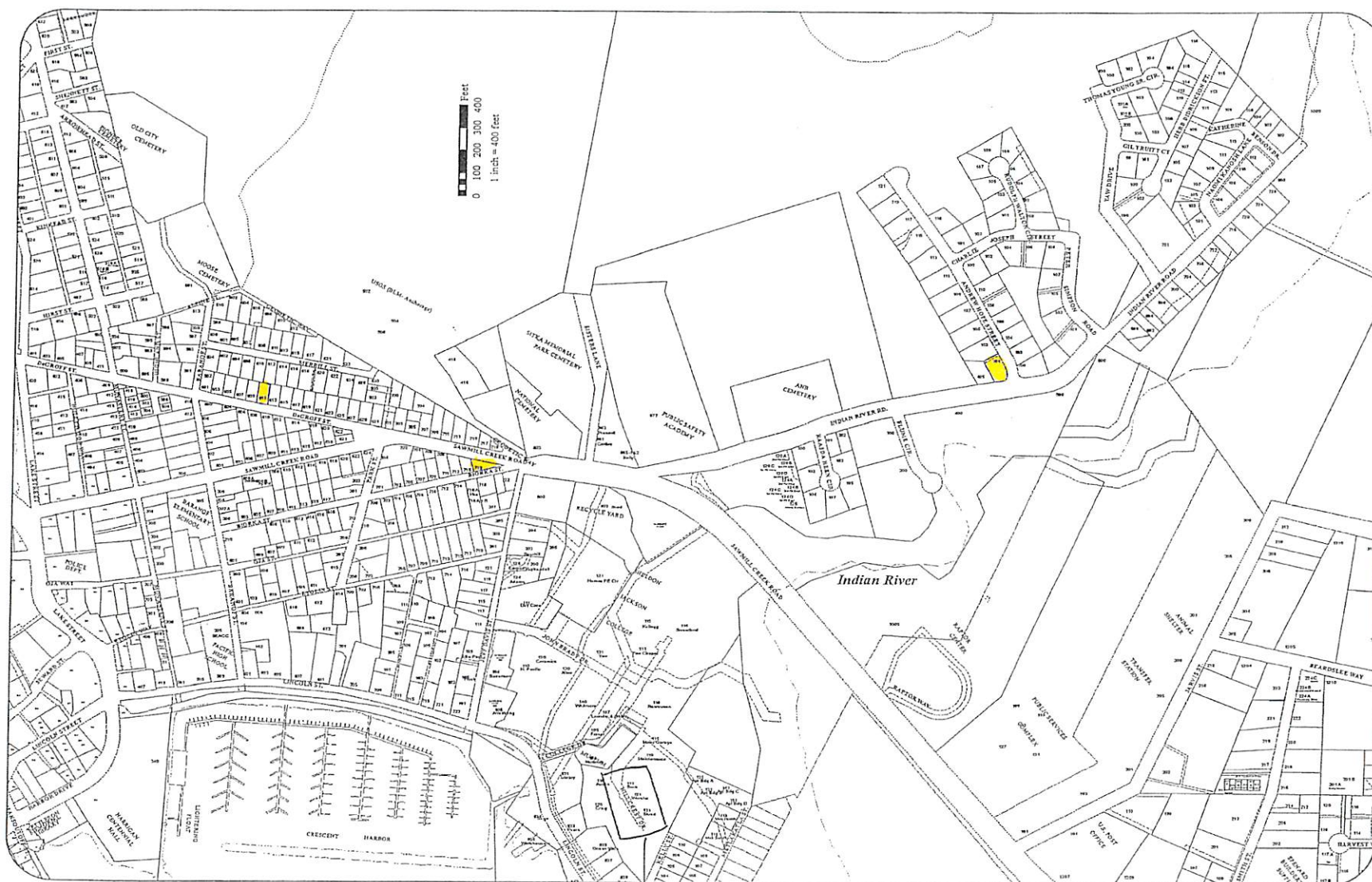
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**Sitka Road System**  
**Address Maps**  
 Katlian & Lincoln

No.	Date	Revisions

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Printed: 1/24/2011



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Revisions		
N.O.	Date	Description

Sheet Number

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Sitka Road System  
Address Maps  
Monastery to Indian River

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----- Edge of Water


**Main Street**
☐ Zoning Boundary
 ☐ Property Line
 ☐ Old Lot Line
 ☐ Easement
 ☐ Floods
 ☐ ROW





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**Map Symbols**

- Zoning Boundary
- Old Lot Line
- Property Line
- Street
- Easement
- Edge of Water

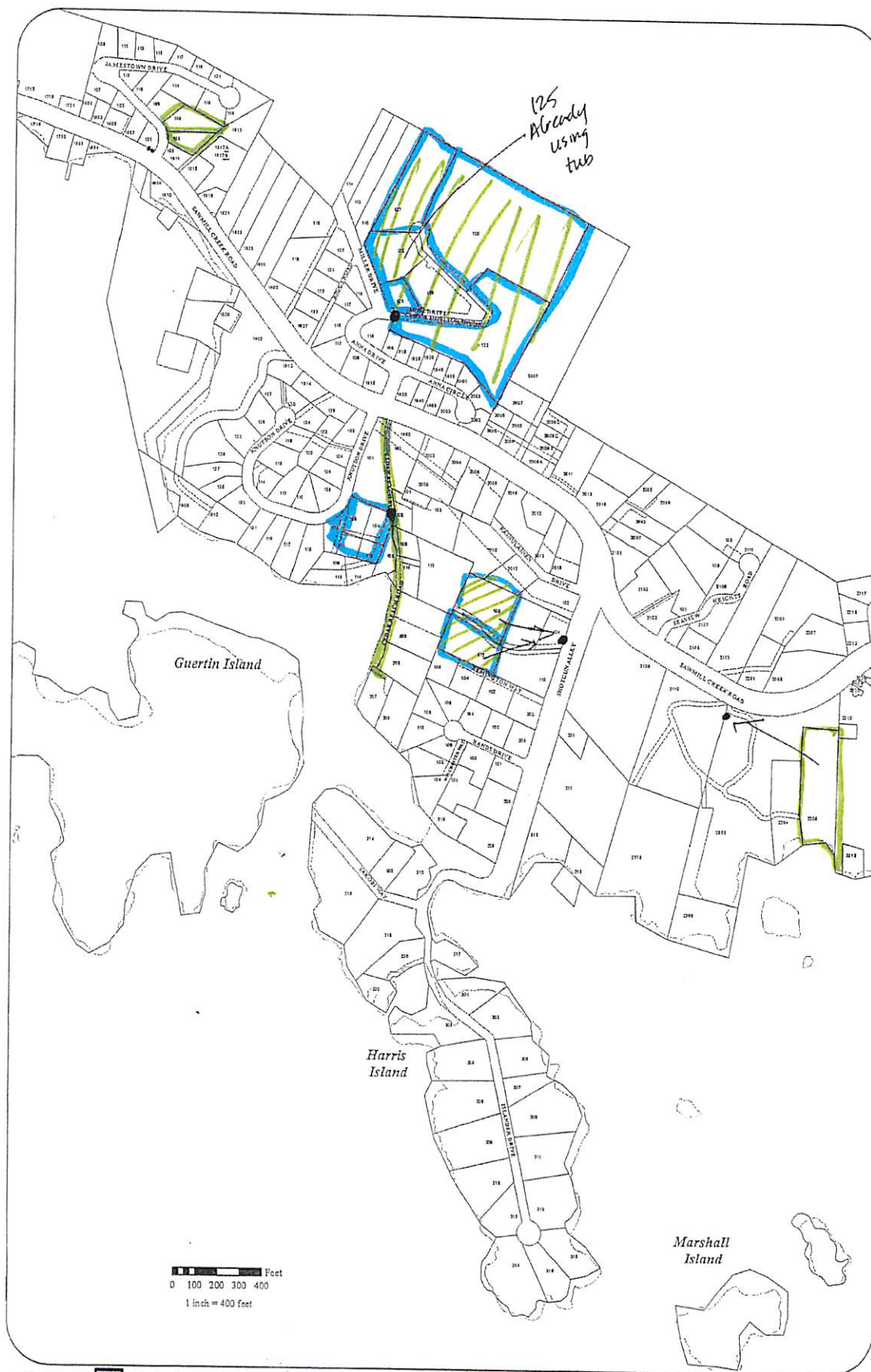
**Revisions**

NO.	DATE	DESCRIPTION
1	1/24/2011	Initial Map

**Sitka Road System Address Maps**  
 Indian River to Jamestown Bay

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- Main Street/Alley
- Zoning Boundary
- Property Line
- Old Lot Line
- Easement
- Trail
- Floats
- ROW
- Edge of Water

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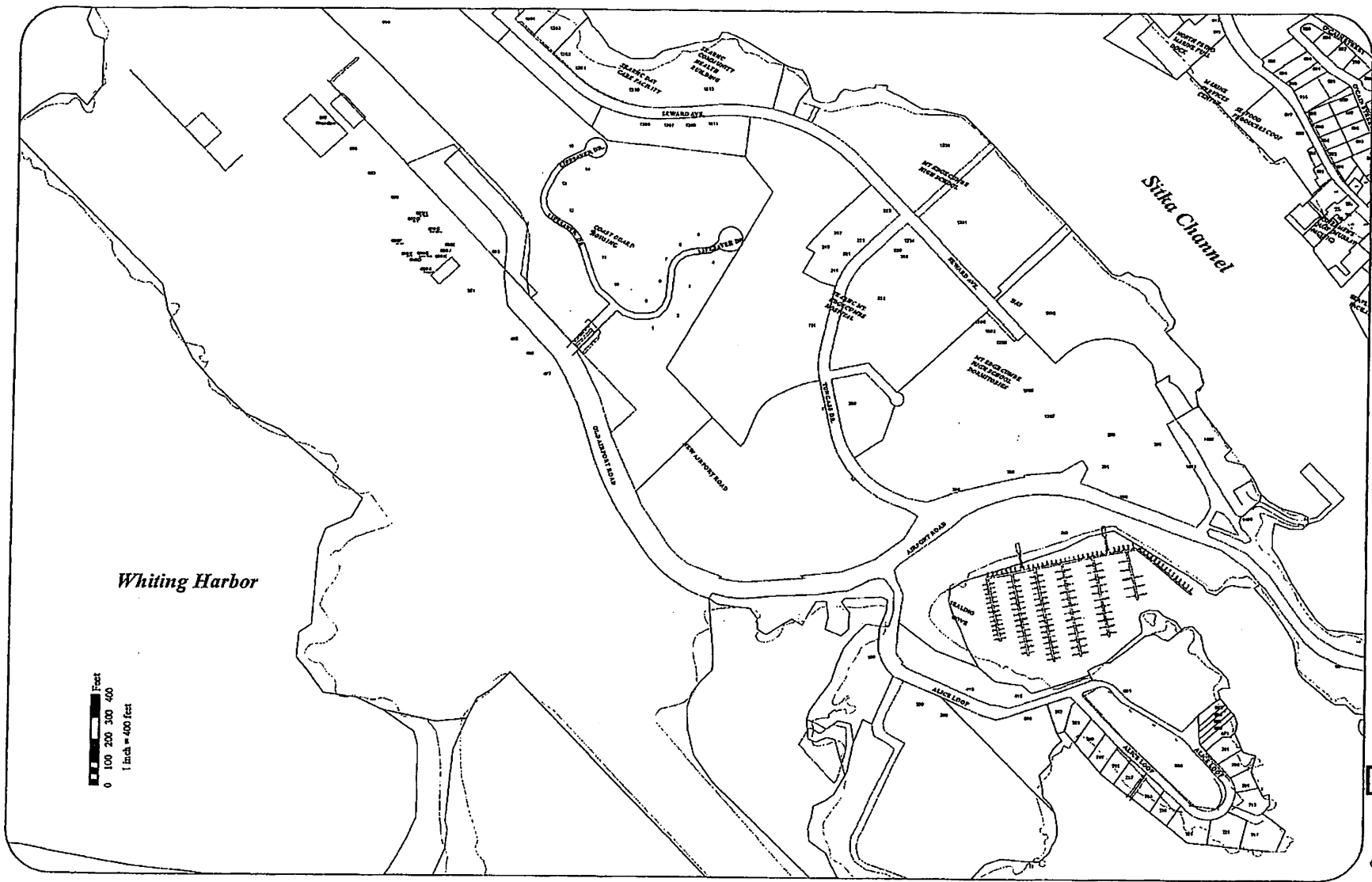
Sitka Road System  
 Address Maps  
 Jamestown to Shotgun Alley

Revisions		
No.	Date	Description

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Revisions
1. 05/11/01
2. 05/11/01
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Sitka Road System  
Address Maps  
Japonski Island

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Map Status  
Zone Boundary  
Property Line  
Old Lot Line  
Easement  
Edge of Water