

GARY SANITARY DISTRICT

PROPOSED GARBAGE COLLECTION AND RECYCLING FEE FAQs

1. Why is the Gary Sanitary District (GSD) proposing to establish a garbage collection fee?

- A. House Enrolled Act 1001 (House Bill 1001), passed during the 2008 Indiana Legislative Session, focuses on controlling property tax growth. The Act includes several major components, including provisions for phased-in property tax caps for all real and personal property which will result in a shortfall of revenues (property tax collections) to local governments. In an effort to meet this economic challenge, the City of Gary is proposing the collection of fees for garbage pick-up and recycling services as one method to compensate for the budget shortfall.

In addition, the City is currently experiencing difficulties in its delivery of quality garbage pick-up, disposal and recycling services due to lack of manpower, equipment malfunctions/ maintenance problems and scheduling delays. Outsourcing of such services to an outside service provider presents an appropriate and needed adjustment to provide for the public health and welfare of the residents of the City of Gary.

2. By what authority is GSD proposing to take this action?

- A. Pursuant to Indiana law, GSD is authorized to contract for the collection and/or disposal of solid waste, and GSD may impose charges or fees for such services as long as such amounts are reasonable and just.

3. How much money will the City save by establishing the proposed garbage collection fee and outsourcing garbage collection and recycling services to an outside provider?

- A. GSD's 2009 budget includes \$6 million for Solid Waste disposal and is funded through a property tax levy. The net amount to be raised by tax levy for the Solid Waste Fund for 2009 is expected to decrease by approximately \$1.7 million. The City of Gary's General Services sanitary budget and Motor Vehicle Highway (MVH) budget are expected to decrease by approximately \$2.5 million as a result of implementing this initiative. (See "Schedule of Garbage Collection and Recycling Fees Calculation for Proposed Fees".)

It is anticipated that the City will garner huge additional savings, as well, as a result of outsourcing, namely:

- Savings in the cost of insurance premiums payable to the Teamsters Union in the amount of \$395,000 per year, as well as savings in the cost of salaries, overtime, clothing allowance and fringe benefits of \$1,521,308
- An additional savings on truck maintenance and gasoline of \$550,000
- Savings in the amount of \$400,000 annually for operation of the Recycling Department
- Savings in time and money lost due to excessive employee absenteeism.

Total Estimated Savings: \$3.3 Million

4. What will happen to the fees collected?

- A. Fees will be used to pay the costs of the outside provider. Balance of monies owed to the provider will be raised through the Solid Waste Fund – Property Tax Levy. (See “Schedule of Garbage Collection and Recycling Fees Calculation for Proposed Fees”.)

5. What communities in our area are currently charging garbage collection fees, and what is the fee amount?

<u>A. City/Town</u>	<u>Residential Rate</u>
Munster	\$ 19.00
Merrillville	15.50
Highland	15.25
Schererville	15.09
Cedar Lake	15.00
Hammond	15.00
Dyer	13.79
Lowell	13.74
Crown Point	13.26
Lake Station	12.50
Portage	12.00
Griffith	11.50
Chesterton	10.50
Hobart	10.00
Valparaiso	9.00
Porter	4.00

(See “Survey of Garbage Collection Fees”.)

6. **What is the amount of the proposed garbage collection fee for Gary residents?**
- A. Proposed fee for a single family residential unit and for multi-family units not to exceed four units is \$12.00 per month per unit served. The proposed fee is \$7.00 per month per unit served for units in which the head of the household is over 65 years of age.
7. **When will GSD begin collecting the proposed fee?**
- A. It is anticipated that the fee will become effective January 1, 2009.
8. **When will the outside provider begin services?**
- A. The outside provider is anticipated to begin services sometime in October, 2008. GSD will pay the outside provider from October through December, 2008 with the remaining appropriations of the Solid Waste Fund.
9. **What services will be provided?**
- A. *Garbage Pick-Up and Disposal
*Recycling
*One (1) Large Item Pick-Up Per Week Per Unit
(Example: Stove, Refrigerator, Couch)
*Removal of Yard Waste (Grass Clippings)
(Leaves Not Included)
*Removal of SMALL Bundled Tree Limbs
*52 Roll-Off Boxes
10. **Will I be able to use my current garbage can?**
- A. Yes.
11. **How will citizens be invoiced?**
- A. GSD will invoice residential customers every two (2) months, utilizing a bill covering both the garbage and sewage payment amounts owed. Partial payments shall be applied to the garbage balance, then to the sewer bill. Septic tank customers will receive a bill every 2 months.

12. **Has an outside service provider been identified?**
 - A. GSD intends to amend its current contract with Allied Waste to authorize the company to provide garbage pick-up and recycling services.

13. **What will happen to employees currently working in the General Services and Recycling Departments; and to equipment?**
 - A. All garbage and recycling personnel will be outsourced. These individuals may apply for employment with the outside provider. Outsourced employees will be given first priority consideration for employment, followed by Gary residents. The outside provider may consider buying some of the older equipment, subject to evaluation of condition.