



## CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 4/28/2020

ALL

Item Creation Date: 4/8/2020

SWMD Container Lease and Management - Code amendment

Agenda Item#: 16.

### **Summary:**

ORDINANCE amending Sections 39-1, 39-49, 39-62, and 39-63 of the Code of Ordinances, Houston, Texas, establishing a fee for the lease and management of containers for garbage and recyclables for residential units; establishing an effective date; containing findings and other provisions relating to the foregoing subject; making other conforming amendments; providing for severability; and declaring an emergency.

### **Background:**

On February 21, 2018, City Council approved amending Chapter 39, concerning multiple container requests at single addresses and establishing appropriate fees for container delivery and retrieval for authorized and unauthorized carts.

During the annual budget process, council has routinely approved \$1,000,000 for the purchase of black and green 96-gallon automated solid waste carts. The carts are distributed to authorized customers for garbage and recycling services. The current in-use inventory of carts totals more than 780,000.

Since 2006, the department has been annually appropriated \$1 million dollars for container replacement. The amount was formally in capital funding but was shifted to department operating expenditures. The funding was historically established to provide for procurement/maintenance of black carts only, replacing or adding up to 20,000 carts per year, as a result of growth, damages and losses. Additionally, the funding was for a customer base of 340,000. Since 2006, the customer count has grown more than 10%, or 50,000 additional service units, to the current customer count of 390,000. Between 2010 and 2015, with the city-wide implementation of automated single-stream recycling, the container count doubled to the current total of 780,000 with all customer homes having a cart for garbage and a cart for recycling. The funding level for container maintenance and replacement did not however keep pace with the customer count growth and service expansion. It remained \$1 million in operations.

The Chapter 39 update establishes a cart lease fee of \$0.57 per container, or \$1.14 per customer household served. The applied lease payment will provide proper maintenance and replacement levels for the city's container inventory. The updated asset management program places the City operation on par with other major Texas cities container management programs. The lease fund will support appropriate purchasing levels of both black and green containers; replacement parts and tools; rolling stock; and personnel to support deliveries and customer service in the four solid waste operations quadrants. The lease charge will appear on customer monthly water bills beginning effective July 1, 2020.

### **Fiscal Note:**

Revenue for this item will be included in the FY2021 Adopted Budget. Therefore, no Fiscal Note is required as stated in Financial Policies.

DocuSigned by:

*HARRY HAYES*

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Harry J. Hayes

Solid Waste Management Department Director

### **Prior Council Action:**

### **Amount of Funding:**

REVENUE

### **Contact Information:**

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