

COMMONWEALTH OF MASSACHUSETTS

CITY OF LOWELL

In City Council

ORDINANCE

An Ordinance Amending “The Code of Ordinances City of Lowell, Massachusetts” With Respect to Chapter 150 thereof Entitled, “Fees” by amending certain sections.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOWELL, as follows:

"The Code for the City of Lowell," hereinafter called the "Code", adopted by the City Council on December 23, 2008, is hereby amended with respect to 150 thereof, by amending certain sections:

1. By amending Chapter 150, Entitled **Fees; Department of Public Works** by amending the following numbers 23 and 24, and adding the new number 24.1 as follows:

	Department/Reference	Unit/ Frequency	Fee
	Department of Public Works		
1	Waste and Recycling		
23	Waste disposal, household rate	Annual	\$325.00
24	Waste disposal, elderly single-family	Annual	\$50.00
24.1	Waste disposal, non-owner occupied residence	Annual	\$425.00

2. All provisions of the Lowell City Code, as amended, which are consistent with this Ordinance, shall continue in effect, but all provisions of said Code inconsistent herewith, are repealed.

3. This Ordinance shall take effect upon its passage in accordance with the provisions of Chapter 43 of the Massachusetts General Laws.



Conor Baldwin
Chief Financial Officer

MEMORANDUM

TO: Thomas A. Golden, Jr., City Manager

FROM: Conor Baldwin, Chief Financial Officer 

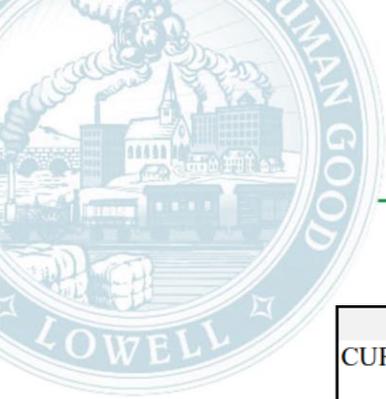
CC: Paul St. Cyr, DPW Commissioner

DATE: May 21st, 2024

SUBJECT: Vote to Amend Refuse Fee

The fees for residential trash pickup are set by Ordinance in the schedule of fees and the program itself is generally governed by the provisions of Chapter 270 of the Code of Ordinances. The residential trash fee is \$125 per year. The fee schedule also provides for a discounted rate of \$32 per year for elderly customers, as well as a series of fees for collection of certain bulky items or other hazardous materials. According to the Department of Public Works, there are approximately 25,000 customers of the residential solid waste and recycling collection program. The fee is charged to the homeowner on their quarterly utility bill along with water and sewer charges, but the revenue for the trash fee is recorded in the general fund

The need to revise the Solid Waste and Recycling fee is desperate, as the current trajectory of the expense vs. revenue is unsustainable. In FY24 the total "taxpayer" subsidy of the trash operation is about \$4 million, this subsidy places a significant burden on the general fund. In the City Manager's Cover letter, he notes the proposed new fee structure for the Solid Waste and Recycling fee and our hope by this increase is to gain approximately an extra \$3 million in revenue. In order for the city to breakeven between expense and the revenue the new fee for residents would need to be \$410 per average household. It's worth noting that the billing for refuse matches the water billing cycle and, if we implement the Ordinance on 7/1/24, we would likely only collect 9 months of the increased revenue, so we would only receive a pro-rata share of the increase within FY2025. The DPW Commissioner in his FY25 budget request submission to the Finance team requested an amount of \$9 million in order for his operating budget to fully fund the expense. Attached please find an analysis of the historical cost and revenue associated with the Solid Waste & Recycling Division of DPW and the cost to the city for collection & disposal of trash, recycling, and other materials (hazardous waste, etc.). The analysis presents the cost data since FY2022, as well the revenue collected from the trash fee over that same period.



Conor Baldwin
 Chief Financial Officer

EXISTING CONDITIONS - FY24 BUDGET			
CURRENT TRASH FEE	\$	125	PER HOUSEHOLD
NUMBER OF HOUSEHOLDS		25,000.00	ESTIMATE
CURRENT ANNUAL REVENUE	\$	3,125,000	\$125 * 25,000
BUDGETED COST FY24	\$	7,452,745	SW&R COST & STAFF
TAXAYER SUBSIDY	\$	(4,327,745)	CURRENT DEFICIT

Account Description	FY2022	FY2023	FY2024 RECAP
Hazardous Waste Collection	\$ 17,173.50	\$ 12,693.00	\$ 26,200.00
Recycling	\$ 22,666.00	\$ 20,425.42	\$ -
Recycling Supplies & Services	\$ 35,275.81	\$ 18,814.41	\$ 51,500.00
Trash Collection & Disposal (and Recycling & Contamination 2018-present)	\$ 6,485,539.65	\$ 7,190,633.68	\$ 7,788,916.00
Recycling Coordinator (F/T Employee) - Now Safety Inspector/ SW&R	\$ 67,999.00	\$ 73,371.00	\$ 90,000.00
Solid Waste Inspector (F/T Employee)	\$ -	\$ -	\$ -
Field Services Technician (F/T Employee)	\$ 46,213.00	\$ 49,887.00	\$ 51,830.00
Employee)	\$ 46,213.00	\$ 47,400.00	\$ 47,242.00
SW&R Technican (P/T Employee)	\$ -	\$ 19,760.00	\$ 20,529.00
Code Enforcement Tech. (P/T Employee)	\$ -	\$ 19,760.00	\$ 20,529.00
Head Clerk (F/T Employee)	\$ -	\$ -	\$ 56,973.00
TOTAL	\$ 6,721,079.96	\$ 7,452,744.51	\$ 8,153,719.00
Revenue - Trash Fee @ \$125/ hh.	\$ 3,320,733.73	\$ 3,140,680.48	\$ 3,100,000.00
Tax Payer Subsidy of Trash	\$ (3,400,346.23)	\$ (4,312,064.03)	\$ (5,053,719.00)



Thomas A. Golden, Jr.
City Manager

May 21, 2024

Mayor Daniel Rourke
And
Members of the Lowell City Council

Dear Mayor Rourke and Members of the Lowell City Council,

As part of the financing plan for the FY25 budget, an increase to the trash fee is necessary. The enclosed ordinance amendment is the administration's recommendation to the City Council to propose a new “trash” fee, per Chapter 50 of the City of Lowell’s Code of Ordinances. The city has approximately 25,000 residents who are serviced by our contract w/ Waste Management. The current \$125 per household fee is not sufficient to cover the rising cost of the services, especially considering the additional resources which have been added by the current Administration to improve the quality of the customer service and reliability of pick-up by the DPW.

The new fee structure purposed by the administration is as follows;

- To increase the trash fee from its current rate of \$125.00 to \$325.00;
- Implement a new fee for non-owner-occupied properties of \$425.00;
- Lastly, increase the senior trash fee from its current rate of \$32.00 to \$50.00

My administration, thought very carefully about the best path forward for this city’s trash operation as the current trajectory we are on is not sustainable. The city’s current trash contract will expire on December 31st of this calendar year and the city at that time will have to go out to procure a new trash contract. To put the cost of these trash collection numbers into perspective, since 2007, the tax levy has provided a cumulative, total subsidy of \$49.37 million for the trash operation, which averages out to approximately \$2.9 million dollars a fiscal year. The single-year deficit has fluctuated from a low-point in FY2017 of **-\$1.9** million, to a high point of last year (FY2023) of **-\$4.3** million. The Chief Financial Officer in his memorandum goes into further depth of some of these numbers. My administration does not take this increase lightly, but feel the need for such a drastic increase as the fee for trash has not increased since 2008. If this restructured fee is approved by the council, it will represent an additional \$50.00 per quarterly bill to the average resident.



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Thomas A. Golden, Jr.
City Manager

Please do not hesitate to let me know if there are any questions.

Sincerely,

Thomas A. Golden, Jr.
City Manager

CC: Conor Baldwin, Chief Financial Officer
Paul St. Cyr, DPW Commissioner