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5 **A RESOLUTION REGARDING CITIZEN RATEPAYERS**
6 **OF THE CITY OF FORT WAYNE AND FEES**
7 **FOR RED RIVER WASTE SOLUTIONS**
8

9
10 WHEREAS, the City of Fort Wayne ("City") began utilizing Red River Waste
11 Solutions ("Red River") for its waste service needs on January 1, 2018;

12 WHEREAS, Fort Wayne Common Council ("City Council") asserts and has
13 demonstrated that a great number of residents of Fort Wayne have had their trash and
14 recycling services missed since the city of Fort Wayne switched to Red River;

15 WHEREAS, the City, City Council, and other involved parties, including Red River,
16 have met on numerous occasions to discuss the service failures of Red River;

17 WHEREAS, the City, as permitted in its contract with Red River, has collected fines
18 from Red River for missed collections and other service-related failures and placed those
19 fines in the Solid Waste Fund;

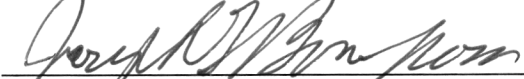
20 WHEREAS, the City graciously did not fine Red River for several months despite
21 widely missed pickups;

22 WHEREAS, the fines collected from Red River by the City total several hundred
23 thousand dollars and are still accruing fines and are held in the Solid Waste fund;

24 WHEREAS, City Council believes that citizen ratepayers that rely on Red River
25 services and pay fees for Red River's service ("Citizen Ratepayers") should be provided
26 with some form of reimbursement due to the service failures and inconvenience of Red
27 River and the subsequent negative impacts of those service failures;

28 WHEREAS, This is a non-binding resolution and, therefore, reflects the opinion and
29 beliefs of only the elected officials who sign the document.

1 APPROVED AS TO FORM AND LEGALITY

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3 _____
4 Joseph G. Bonahoom, City Council Attorney

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Megan Flohr

From: Matt Gratz
Sent: Tuesday, November 20, 2018 3:36 PM
To: Megan Flohr
Cc: Stephanie Crandall
Subject: Solid Waste Fines

Megan, Please share this with the councilmen. Thanks, Matt

Dear Councilmen,

We respectfully request that the discussion about the non-binding resolution regarding Citizen Ratepayers of the City of Fort Wayne and fees for Red River Waste Solutions be held until after the Mayor's Working Group on Garbage and Recycling meets on November 28 to discuss this issue. Unfortunately, due to previous commitments, neither Shan Gunawardena nor I am available to attend tonight's meeting. Some questions have arisen regarding the calculation of fees and this email seeks to address those here.

As the solid waste manager, I calculate the fines using the following formula, with numbers provided to illustrate implementation of the formula. This calculation is consistent with the enforcement of the contract with the previous solid waste collector.

E.g. 2,000 solid waste collection misses in a month/4 weeks in a month=average of 500 misses
Contract benchmark allows for 1 miss per 1,000 households per week=83 misses
 $500-83=417$
Fine= $417 \text{ misses} \times \$100=\$41,700$
Additional fines may be added for longer misses and other benchmarks missed per the contract.

Another way to consider this calculation is that the current contractor is paid \$416,000 per month to collect solid waste from 83,000 homes per week. That amounts to 332,000 pickups in a month with four weeks. If 2,000 misses occur, the collection rate is 99.3%. Thus, missing .7% equals a fine of 10% of the contracted fee. However, in July 2018 when the verified missed calls were 2,063, Red River was penalized \$84,000 in fines, or 20% of its fee, because there were also other augmented fees (e.g. 24 hour pickup) and benchmarks missed. In September 2018, when the verified missed calls were 5,095, the penalty is likely to be 45% of the monthly fee with a 98.5% collection rate.

Another question likely to come up is how much is in the solid waste fund. As of the end of 2018, there is estimated to be about \$1,000,000 in the fund. As outlined in Fort Wayne City Code 50.03, the solid waste fund includes revenue from monthly user fees, reimbursements for clean-up costs, missed collection liquidated damage penalty fees, sale of recycled materials, promotional fees, and any other revenues associated with the solid waste and recycling contracts. This fund pays for the costs of collecting, disposing, and recycling of solid waste, including salaries of solid waste employees, garbage carts, leaf collection, neighborhood cleans, and advertising. In addition to reducing the need for future rate increases, some of the funds from the fines have been used to pay overtime for 311 callers who have been working on Saturdays from 8AM-12PM.

Of the \$12 monthly single family residential household fee, \$4.98 per month is for solid waste collection. The rest is for recycling collection, garbage disposal fees, recycling processing fees, leaf collection, garbage carts (which are "leased" from the city), and other fund uses noted above.

Thank you for your consideration to postpone this discussion,

BILL NO. R-18-11-23 AS Amended

REPORT OF COMMITTEE ON FINANCE
November 20, 2018

John Crawford Chair

Jason Arp Co-Chair

All Council Members

A Resolution regarding Citizen Ratepayers of the City of Fort Wayne and fees for Red River Waste Solutions

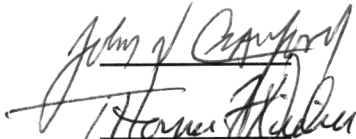
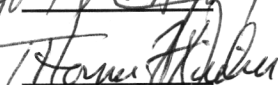
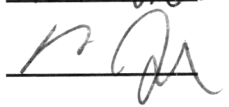
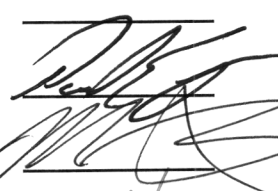
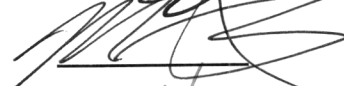
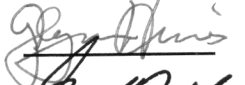


COMMITTEE ON FINANCE HAVE HAD SAID Ordinance under consideration and beg leave to report back to the Common Council that said Ordinance

DO PASS

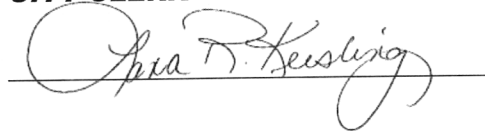
DO NOT PASS

ABSTAIN

NO REC

	_____	_____	_____
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LANA R. KEESLING
CITY CLERK



Public Hearing Date: N/A


Read the first time in full and on motion by Councilman Crawford.

Read the second time by title and referred to the Finance Committee.

Read the third time in full and on motion by Councilman Crawford, placed on passage by the following vote:

<u>TOTAL VOTES</u>	<u>AYES</u>	<u>NAYS</u>	<u>ABSTAINED</u>	<u>ABSENT</u>
ARP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BARRANDA	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CRAWFORD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DIDIER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ENSLEY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FREISTROFFER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
HINES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
JEHL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PADDOCK	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

DATED: November 27, 2018




 LANA R. KEESLING, CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana, as

Resolution No. R-18-11-23AA on the 27th day of November, 2018



 LANA R. KEESLING
 CITY CLERK



 PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the 28th of November 2018, at the hour of 9:25 o'clock A.M. E.S.T.

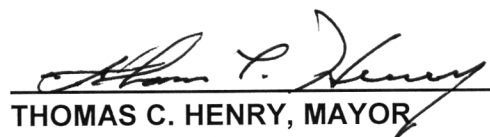


 LANA R. KEESLING, CITY CLERK

Approved and signed by me this 28TH day of November

2018, at the hour of 2:00 O'clock PM E.S.T.

FORT WAYNE, INDIANA
RECEIVED
 NOV 29 2018
 LANA R. KEESLING
 CITY CLERK



 THOMAS C. HENRY, MAYOR