

Andrew Klein

FROM	NAME & TITLE	Andrew Kleine, Chief
	AGENCY NAME & ADDRESS	Bureau of Budget and Management Research Room 432, City Hall (396-4941)
	SUBJECT	City Council CCB 12-0139 - Waste Haulers – Short-Term License

CITY of
BALTIMORE
MEMO



DATE:
December 26, 2012

TO

Honorable President and
Members of the City Council
C/O Karen Randle
Room 409, City Hall

City Council Bill 12-0139 - Waste Haulers – Short-Term License proposes to authorize haulers to have the choice to apply for annual or short-term licenses. Additionally, for annual licenses, the bill would modify the calendar year schedule, currently expiring on December 31 of each year, to expiration on the anniversary of issuance.

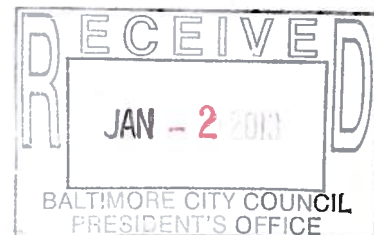
Analysis

This bill will enable the option to haulers to request an annual or short term (90-day) license. The short term license fee will be prorated depending on the annual value. Currently, small haulers are required to obtain a \$35 annual license while large haulers are required to obtain a \$100 annual license. Other licenses include dumpsters for \$20 and trailers \$100.

Fiscal Impact

- In Fiscal 2012, there were about 5,200 licenses issued for dumpsters, small and large haulers, while the total revenue from solid waste collections permits was \$149,921. This source of revenue has been very stable through the years averaging about \$150,000 for the last ten years.
- The proposed legislation could reduce the average fee payment from \$28 a year to \$7 per quarter, increasing the per transaction cost per dollar collected.
- It is estimated that the City could experience a combined revenue loss and additional operating costs of \$131,000 a year. The bill will potentially reduce revenues not only from haulers with low dumping activity, but also from large haulers who would shift to fewer short-term permits to avoid payments during the low season. Additionally, even though there is an estimated decline in the number of licenses issued to small haulers, there is a potential increase in cost for partial-year licenses to large haulers.
- The potential reduction in revenues requires a sustainability analysis in order to identify if the costs of providing the service are covered by the proposed schedule.

Unfor.



Recommendation

The Finance Department requests that the Department of Health perform a cost analysis and submit an adjusted fee to the Board of Estimates that will hold the City funds harmless before any change is made to the fee schedule. The analysis should include the additional cost to the City for the additional transactions it must perform for less revenue. In that this bill reduces City revenues and will increase operating costs without appropriate fee adjustments, the Finance Department does not support CC Bill 12-0139.

CC: Harry Black
William Voorhees
Angela Gibson