

2016 BUDGET PROPOSAL

ESTABLISHING A FAIR AND AFFORDABLE GARBAGE COLLECTION FEE, REDUCING THE COST OF GARBAGE COLLECTION SERVICES, AND ENHANCING NEIGHBORHOOD QUALITY OF LIFE SERVICES

In his 2016 Budget, Mayor Emanuel is joining with aldermen to propose a flat, monthly fee of \$9.50 for garbage pickup. This fee, which is a lower per household fee than what is charged to residents in suburbs like Oak Park, Harvey, Berwyn, and Cicero, was developed after months of discussion with aldermen. The fee will affect the half of Chicago households that receive garbage pickup from the City and remain lower than the average fee paid by the other half of Chicago households in buildings with five residential units or more that receive private garbage pickup.

For the 2016 budget, Mayor Emanuel is proposing a flat fee of \$9.50 per household on a monthly basis. To protect our senior residents, the fee would include a discount for lower-income seniors. Based on a \$9.50 with a senior discount, the City anticipates collecting an estimated \$62 million in revenue for 2016.

Integrating a Flat Fee for Garbage Collection Services. The City of Chicago spends approximately \$244 million a year to collect garbage at 613,000 residential households. If the City were to cover the full cost of garbage collection services, each household would be charged \$33 per month. The City is not proposing a fee to cover the full cost of refuse collection, but a fee equal to or lower with what Chicago households with private collection pay. Chicago residents living in buildings with five or six residential units pay a private garbage hauler on average \$10 to \$16 a month for garbage removal.

A flat fee of \$9.50 per household per month would cover approximately one-quarter of the City's garbage collection costs.

The garbage fee will be added as a separate line on the City's water bill.

Comparatively Lower than Suburban Neighbors. The City's proposed garbage fee of \$9.50 is comparatively lower than the average fees paid by residents of surrounding suburbs. The total annual fee to a Chicago resident will be less than \$115 a year. Fees in surrounding areas include:

Berwyn: \$24.79 per month or \$297 per year
Oak Park: \$23.88 per month or \$287 per year
Harvey: \$21.41 per month or \$257 per year
Evanston: \$17.95 per month or \$215 per year

Protecting Lower Income Seniors: In order to reduce the impact of the fee on lower income seniors, the Mayor is proposing a 50 percent discount for seniors eligible for the Cook County Assessor's Senior Freeze Program. The County program is a means test (currently available for seniors with annual household income of \$55K or less) and data is

regularly updated allowing the City to ensure those seniors that are eligible can receive the discount. This discount will impact approximately 40,000 Chicago seniors who participate in the program.

Finding Efficiencies in Garbage Collection Citywide, Redirecting Savings to Enhance Neighborhood Services (Tree Trimming and Rodent Abatement).

Mayor Emanuel first rolled out the grid system for garbage collection in 2013. Since the implementation of the grid system, the City uses fewer garbage trucks for daily refuse collection and saves \$28 million annually, including the \$9.5 million in operational savings for 2016.

This summer, through a partnership with the Laborers' union, the City announced that it would further reduce the average daily deployment of refuse trucks, representing an additional \$9.5 million in operational savings. The Mayor proposes to reinvest the savings in critical neighborhood quality of life services by redirecting 10 crews to Forestry to help completely eliminate the backlog of tree trimming requests by winter 2016. An additional five crews will be also redeployed to Rodent Control in order to guarantee a response time of five days for any request.