



Department Source: City Utilities - Solid Waste

To: City Council

From: City Manager & Staff

Council Meeting Date: July 6, 2021

Re: Amending Chapter 22 of the City Code as it relates to financial compensation for retailers that participate in the voucher program for distribution of refuse and recycling bags.

Executive Summary

Staff has prepared for Council consideration an ordinance amending Chapter 22 of the City Code in order to provide financial compensation to retailers that participate in the voucher program for distribution of refuse and recycling bags. The modifications proposed are intended to provide participating retailers with sufficient compensation to cover their overhead and administrative cost associated with the residential curbside refuse and recycling voucher program.

Discussion

Solid Waste began the residential curbside refuse and recycling voucher program in 2008. Prior to February 2021, residential curbside customers were not required to use the City provided refuse bags. During the first few years of the voucher program, the local retailers redeemed approximately 58,000 refuse and 50,000 recycling vouchers annually. Since that time, the number of vouchers redeemed at the local retailers has increased. From 2018 to 2020, the local retailers redeemed approximately 75,000 refuse and 65,000 recycling vouchers each year. Beginning on February 1, 2021 all refuse and recycling to be collected at the curb was required to be in a bag with the City logo. Since February 1, the local retailers have redeemed 55,840 refuse and 44,436 recycling vouchers and it is anticipated that there will be approximately 112,000 refuse and 90,000 recycling vouchers redeemed by December 31.

There are currently 10 separate retail locations, plus City Hall, in which customers can redeem refuse and recycling vouchers. Under the current program, the retail locations do not receive any direct financial compensation for voucher transactions or for participating in the voucher program. In order to participate in the program, retailers are required to conduct constant coordination for deliveries with the bag vendor. Once merchandise is received, the retailer is responsible for inventory control and is financially responsible for lost or stolen merchandise. Because the City logo refuse bags are a high theft item, most retailers stock them at their service desk. While this operation greatly reduces theft, it increases the staffing requirements and creates longer customer lines at the service desk. Once the transaction is complete, the refuse bags are usually placed in a retailer provided grocery sack, which is an additional cost for the retailer. The retailers also allow customers to return and exchange defective City refuse bags. Lastly, the retailers mail the redeemed vouchers to the bag vendor to reconcile their account.



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Staff is proposing to amend Chapter 22 of the City Code in order to provide financial compensation to retailers in the amount of \$0.25 for each voucher the retailer redeems. The proposed ordinance change is intended to provide participating retailers with sufficient compensation to cover their overhead and administrative cost associated with the residential curbside refuse and recycling voucher program. Providing the financial compensation will help ensure that retailers continue to participate in the program and may entice other retail locations to participate.

Fiscal Impact

Short-Term Impact: Staff anticipates that approximately 101,000 vouchers (56,000 refuse and 45,000 recycling) will be redeemed in the remaining portion of FY21 at a cost of \$25,250 and will be paid with funds already appropriated in the FY2021 operations budget.

Long-Term Impact: Staff anticipates that up to 238,000 vouchers (136,000 refuse and 102,000 recycling) could be redeemed annually with an annual cost of up to \$59,500 that will need to be included in future year operating budgets for Solid Waste.

Strategic & Comprehensive Plan Impact

Strategic Plan Impacts:

Primary Impact: Infrastructure, Secondary Impact: Not Applicable, Tertiary Impact: Not Applicable

Comprehensive Plan Impacts:

Primary Impact: Infrastructure, Secondary Impact: Not applicable, Tertiary Impact: Not Applicable

Legislative History

Date	Action
NA	NA

Suggested Council Action

Approval of ordinance.