

Hidalgo County

Rural Solid Waste Collection

Program

May 27, 2014

Vendor Service Agreements

- County would enter into agreements with trash collection companies for services to residents in rural areas.
- Savings to the county could be achieved by the closing of the 12 sanitation transfer collection sites.
- Sanitation staff would be relocated to existing vacant positions and thru attrition to achieve savings over a **3 year period**.
- Vendors could collect a 5% service agreement fee for Hidalgo County resulting in an increase in revenue. (\$2.5M/yr. savings legal review)

Pros:

- Promotes competition for trash collection
- Enables all haulers to stay in business
- Allow rural residents to choose best price option

Cons:

- Potential increase in illegal dumping – increase in code enforcement
- Price rate fluctuations
- Increased truck traffic

Total anticipated budgetary impact:

- Sanitation Expenditure Reduction Potential: \$5.4M annual savings to the county (\$2M in the first year)
- Franchise Revenue Potential: \$85K- \$306K @ 50% participation

Collection Station Fee (User Fee)

- County would commence charging a **user permit fee (\$25 per quarter)**.
- This option will not result in overall operation savings to the county but will generate new revenue to offset some of the cost of sanitation operations.

Pros:

- Residents have the option to obtain trash collection services at their home or dispose of trash at the County's Collection Stations
- Enables all haulers to stay in business

Cons:

- Potential increase illegal dumping – increase code enforcement
- Do not achieve the same expenditure reductions as those presented in Option 1

Total anticipated budgetary impact:

- \$25 Quarterly Permit Fee Revenue Potential: \$2.4M @ 66% participation