

City of Alexandria, Virginia
FY 2023 Proposed Operating Budget & CIP
Budget Questions & Answers

March 30, 2022

Question: The proposed budget includes an increase in the commercial refuse fee. What is the current cost to provide commercial refuse services and how does that cost relate to the new proposed fee?

Response:

In FY 2021, commercial collection program expenditures were \$1.14 million. The commercial expenditure accounts, which is a General Fund program, also funds commercial recycling and collection and disposal from City facilities, schools, drop-off centers, and public space collection. Therefore, while it is called the commercial collection program, the majority of the services provided pertain to public spaces. Billable commercial customers account for less than 10% of the billable units served by the program. Staff do not track the cost of services provided for billable customers apart from the cost of the entire program.

In FY 2021, the city collected \$220,000 in revenues from its commercial customers. Raising the commercial refuse fee from \$411 annually to \$484 will generate approximately \$14,600 in additional General Fund revenue and will align the fee with the residential refuse fee. Historically, the two fees had been aligned; however, over the past several years, Council approved staff-recommended increases to the residential refuse fee primarily to account for increased costs in recycling collections, processing, materials, wages, and contracts. At staff's recommendation, and partially to provide business relief, Council did not consider commensurate commercial fee increases.