

# Frequently Asked Questions about the Proposed Garbage Fee

## **Q. Why is Parma considering a garbage fee proposal?**

A. The proposal for a garbage fee comes after Parma, like other cities, experienced the severe impact of state funding cuts and declining levy revenues. When looking at those factors, it is estimated the city will lose more than \$5 million for 2015 alone when compared to 2008. Since that year, cumulative losses as result of state cuts and declining levy revenues are estimated at nearly \$17 million. Additionally, Parma still is absorbing the loss of GrafTech's corporate headquarters – a major blow to our coffers.

## **Q. Up to this point, how has Parma tried to manage the decline in state revenue?**

A. In the last several years, city leaders have tried to manage the decline in revenue by using one-time money, saving on program costs, and securing state and federal grants, including from the Army Corps of Engineers. Our administration also has reduced the city's workforce through attrition, unfilled vacancies, and deferred hiring, resulting in a savings of nearly \$1.7 million this year.

## **Q. But why now?**

A. Parma is at a crossroads. We no longer can rely on one-time money to fill major budget holes, or make enough of the cuts we would need to without seriously impacting critical residential services.

## **Q. What would happen if a garbage fee is not enacted?**

A. Without new revenue, the Administration would be forced to make major cuts, including in our police and fire departments. That would hurt our safety forces at a time when they already are below recommended staffing levels – yet under pressure to respond to more calls every year. For example, the Parma Police Department, according to the latest figures, has one of the lowest numbers of officers per thousand residents in Cuyahoga County.

## **Q. Do other cities have garbage fees?**

A. Yes. In Ohio, seven of the top 10 most populous cities have a garbage fee. All but three, including Parma, do not. Meanwhile, at least 15 Cuyahoga County municipalities have a fee. A 16<sup>th</sup> city in our county is expected to implement one starting in 2016. And communities in surrounding counties, such as Medina and Lorain, have turned to a garbage fee. A garbage fee is consistent with what other cities in our county and across Ohio have done to increase revenue.

## **Q. How much will residents pay?**

A. \$12 a month for single-family households and \$11 for seniors who qualify for a Cleveland Water Department homestead exemption based on age, income, or disability. There are separate trash pickup procedures for those who live in condominiums, and they will be charged appropriately, which would be less than single-family households. Overall, the fee works out to be less than \$3 a week per household. These fees are consistent with what a number of cities charge their residents.

**Q. Who would collect the garbage fee? How often would I be billed?**

A. The Cleveland Water Department would collect the fee. The garbage fee would be included on the residential water bills you receive quarterly.

**Q. If the garbage fee proposal passes, when would it begin?**

A. It would begin in October 2015 and go through the end of 2016. At that time, it would be put before Council annually for renewal.

**Q. What will be the cost of garbage collection during this period?**

A. The approximate cost of the garbage collection is \$5.421 million. The proposed garbage fee will pay approximately \$5.406 million of that cost. Because this is a proposed fee and not a tax, the City only can collect its actual costs as required by law.