

Frequently Asked Questions
About Upcoming Trash and Recycling Collection Service Provider Changes and
Costs Associated with a Proposed Special Assessment

Q. What is the change, and when is it happening?

The City's current curbside trash and recycling collection service contract with Republic Services will expire at the end of June 2024. In January of 2024 the City solicited proposals from area waste haulers. Republic Services, Lakeshore Recycling & Disposal and LRS submitted proposals, and Lakeshore Recycling & Disposal was the lowest, responsible bidder. City staff recommended approval of a five-year contract with Lakeshore to the City Council, which approved the contract during its April 1, 2024 meeting.

Service with Lakeshore Recycling & Disposal will begin during the week of **June 24, 2024**.

Q. How will the transition take place?

Republic Services is expected to perform its last collection with the City during the week of **June 17, 2024**. This means that full trash and recycling roll carts will be emptied and taken away from your property by Republic that week.

To ensure a smooth and orderly transition with no loss of service, Lakeshore Recycling & Disposal will deliver its empty roll carts before **June 17, 2024**. We anticipate that the new roll carts will be delivered on Saturday, **June 15, 2024**. Once Lakeshore delivers its roll carts, you may begin using them, but please keep in mind that the first collection by Lakeshore will be during the week of **June 24, 2024**.

Q. What are the services that Lakeshore Recycling & Disposal will provide?

Service provided by Lakeshore will be largely the same as has been provided by Republic, however, collection of recyclables will occur more frequently. Service will include:

- Weekly curbside collection of trash. One 96-gallon cart provided.
- Every other week curbside collection of recyclables. One 96-gallon cart provided.
- Bulk item curbside collection, twice annually in the spring and fall.

Q. Will I have the same pickup day that I have now?

Collection days will remain largely unchanged, however, the City is being divided, so please refer to the following to ensure you are aware of your collection day:

- All residences west of Red Arrow Highway (including the west side of Red Arrow) will be collected on Mondays.
- All residences east of Red Arrow Highway (including the east side of Red Arrow) will be collected on Wednesday.

Q. What if I want additional roll carts for trash or recycling collection service?

Please call Lakeshore directly at (269) 231-5623 to request additional roll carts. Lakeshore will invoice you directly for the added service.

Q. Can I use my own roll cart or other container for trash or recycling collection services?

The short answer is no. Residents will be required to use roll carts that are owned by Lakeshore Recycling & Disposal to ensure they function with the collection systems on Lakeshore's trucks.

Q. I recently received a letter from the City regarding a Notice of Public Hearings to Establish a Special Assessment for Trash/Recyclables Collection – what does it mean?

The City has paid for trash and recyclables collection service directly to Republic Services for over twenty years. Essentially, the property taxes you pay to the City cover the cost of solid waste collection in Bridgman. This is extremely rare, in that the vast majority of Michigan's residents either pay a waste hauler directly or are charged by their local village/city/township separately – either as a special assessment or a millage on their tax bill.

A special assessment is a charge that is not based on the taxable value of your home. Special assessments are applied to property tax bills for such purposes as improvements to drains, sewers, roads; electricity costs of street lights; or the service delivery cost of providing trash and recyclables collection. For more information, please visit this link: [Special Assessments in Michigan](#).

Rather than continue paying for trash and recyclables collection service through property taxes, the City Council is considering shifting the actual cost of providing the service to residents by implementing a special assessment.

Q. Why is the City doing this?

The City Council and administration have discussed the implementation of a special assessment for trash and recyclables collection service over the past seven years (see timeline below). Originally conceived as a way to pay for interfund debt (owed by the Sewer Fund to the General Fund), the Council steered away from that idea. Most recently, mounting pressures on the General Fund, Major Street Fund and Local Street Fund to meet always-increasing financial demands prompted the Council and administration to revisit a special assessment.

Implementing a special assessment would free up funds for the City to use on much-needed capital improvement projects, including road reconstruction and equipment purchases, such as firefighting vehicles, street department vehicles, and police vehicles. The City's capital asset management plan includes capital needs totaling about \$10 million over the next five years. The fact is that the City does not generate enough in property tax revenue or receive enough shared revenue from the state to adequately address all of its capital needs. Just like many households and businesses, the City must make difficult decisions to postpone projects and delay major expenditures in order to balance budgets and avoid too much debt.

The City administration is proposing to use the funds that are "saved" (i.e. not spent on trash and recycling) by addressing Bridgman's capital need shortfalls. Specifically, we are planning major road improvement projects and public safety vehicle purchases, and will be directing the majority of the trash and recyclable funds to cover future debt service expenses (loan costs).

Timeline

- 1 December 2017** – Community Buzz article informs residents about the City’s inter-fund debt and introduces the idea of charging property owners for trash and recycling collection service.
- 2 October 1, 2018** - City Council approves a resolution directing the city manager and city treasurer to prepare a report which includes preliminary plans and limits of a special assessment district
- 3 September 2020** – City issues recycling collection survey to determine views on curbside recycling options. Response rate: 25% (257 out of 1055 addresses). 75% favor curbside recycling and willing to pay for service.
- 4 January 2021** – City Council approves service charge for recycling - \$2.50/month, added to water and sewer bill, effective July 1, 2021

Timeline

- 5 July 2023** – City Council approves a resolution to initiate the process to establish a special assessment district for trash and recycling collection service.
- 6 January 2024** – Community Buzz article informs residents about the City’s plans to seek bids for trash and recycling collection service and intention to implement a citywide special assessment.
- 7 April 2024** – City Council approves Resolution 2024-06 to advance process to establish a special assessment district.
- 8 June 2024** – Anticipated transition from Republic Services to Lakeshore Recycling & Disposal for trash and recycling collection service.

Q. What is the cost of providing trash and recyclables collection service?

The current cost of providing citywide trash and recyclables collection service to the City is about \$175,000 per year. To offset a portion of the total cost, the City Council approved a service charge for recycling of \$2.50/month for each service address, beginning in 2021. This charge generates \$32,000/year, resulting in a net cost for trash and recyclables collection to the City of about \$143,000 (\$175,000 - \$32,000).

Q. The notice stated that the first year of the Special Assessment will include a cost of \$172.80 per service address. What happens in the following years?

The contract with Lakeshore Recycling & Disposal has a five-year term, which begins with a \$14.40 monthly charge in 2024 and incorporates a 3.95% increase per year.

The monthly rate per residential unit is as follows:

| July, 2024 | July, 2025 | July, 2026 | July, 2027 | July, 2028 |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$14.40 | \$14.97 | \$15.56 | \$16.17 | \$16.82 |

The annual cost for each residential unit is as follows:

| 2024 | 2025 | 2026 | 2027 | 2028 |
|-------------|-------------|-------------|-------------|-------------|
| \$172.80 | \$179.64 | \$186.72 | \$194.04 | \$201.84 |

Q. How will the City collect the Special Assessment?

The special assessment charge will appear on your summer tax bill as a line item each year beginning in July 2024.

Q. Why is the City not applying the charge to my water and sewer bill?

Quarterly water/sewer bills for homeowners and monthly water/sewer bills for renters have a much higher rate of delinquency than property tax bills. Because the entire cost of trash and recyclables collection will be shifted to residents, the City wants to ensure that it collects the funds necessary to pay its contract with Lakeshore Recycling & Disposal. In addition, special assessments are typically applied to property tax bills for administrative efficiency.

Q. Is the City charging an administrative fee to process the Special Assessment?

No, the City is not charging an administrative fee. The annual costs stated above are the actual costs associated with the City's contract. Not a penny more is being charged.

Q. Will the \$2.50 per month charge on my water bill be removed?

Yes, beginning July 1, 2024, the fee on the monthly/quarterly water bills will be removed.

Q. Does the implementation of a Special Assessment have anything to do with changing solid waste contractors?

No. The City was very satisfied with its longtime trash and recyclables contractor, Republic Services. However, the original contract with Republic was set to expire after several extensions. To obtain a competitive price in the open market, the City requested proposals and Lakeshore Recycling & Disposal submitted a lower bid than Republic Services. Whether or not the City implements a special assessment, the contract expiration with Republic made it necessary to seek proposals.

Q. I pay a lot of taxes to the City, where does all the money go?

When you write a check to the "City of Bridgman" for property taxes, the total amount is not kept by the City. Approximately 34% of your total taxes paid each year stay with the City. The remaining

funds go to Berrien County, Bridgman Public Schools, Bridgman Public Library, Lake Michigan College, and Berrien RESA.

The City’s general operating budget covers several essential services to the community, including police services, fire services, brush/branch removal, snow removal, election administration, and many other services. As noted above, the City has significant capital needs over the next several years that will need to be financed through a bond issue. Revenue from the trash and recycling special assessment will allow the City to make the bond payments.

