



KEEP PHILLY CLEAN SERVICE:

Saving Services, Cleaning Philadelphia, Limiting the Financial Burden

The worst recession since the Great Depression continues to take a toll on the City of Philadelphia's budget. Tax revenues are down for the second straight year. After trimming the budget with tens of millions of dollars in reductions and new efficiencies, the City services residents value most are again at risk for devastating cuts. In every crisis there is opportunity. This crisis is no different. The Keep Philly Clean Fee presents a rare opportunity to save vital City services, have a cleaner City and substantially increase the City's recycling rate. Most importantly, residents can earn back much of the fee with real savings that will inspire spending at local businesses.

The Keep Philly Clean Fee will allow tax revenues that would otherwise pay for sanitation services to keep cops on patrol, fire companies active, libraries lending, health centers open, summer jobs for young people available and swimming pools filled. If the fee is approved, revenue will be available for neighborhood cleaning and greening that had to be cut in recent years. Citywide cleaning crews will keep our neighborhoods cleaner than ever before and vacant lot cleaning will be expanded.

Savings in your Wallet for Residents with Philadelphia Recycling Rewards

In December, Mayor Nutter unveiled the Philadelphia Recycling Rewards program. By July 2010, every property with City provided recycling collection will be able to earn money saving rewards just for recycling. This includes individual apartments in multi-unit buildings with City recycling collection. Regardless of whether you are single, married, or raising a family; financially comfortable or working on a tight budget, Philadelphia Recycling Rewards saves Philadelphian's money. Whether you are grocery shopping, picking up odds and ends at your local pharmacy, enjoying Philadelphia's nightlife and cultural attractions or taking in a movie, Philadelphian's can now easily realize savings of \$100 and as much as \$400 a year by recycling and shopping at more than 150 local businesses. Some examples from the current program include:

- \$5 off \$40 or more at Jeff Brown's ShopRite or The Fresh Grocer,
- \$4 off \$20 or more at CVS,
- \$10 off \$50 or more at Villa Sneaker,
- Buy 1 Get 1 Free at Popeye's Chicken & Biscuits,
- 10% off in Reading Terminal Market

Residents can join the program by visiting www.phillyrecyclingpays.com or calling 1-888-769-7960.

Local Economic Stimulus

With hundreds of thousands of Philadelphians earning real rewards for recycling more, money will be spent in local businesses creating a critical benefit for neighborhood businesses. Businesses all across Philadelphia have recognized the potential impact of Philadelphia Recycling Rewards on their bottom line. Fringe Salon in South Philly, Villa locations in North Philly, West Philly and South Philly, Fresh

Grocer locations around the City, the Chestnut Hill Camera Shop, Strikes Bowling, a host of businesses at the Cheltenham Square Mall, and Las Cazuelas restaurant in Northern Liberties represent the diversity of businesses who will participate.

More recycling means an end to throwing dollars into landfills

The more residents recycle, the more money stays in the City's budget for other programs. Trash that ends up at the recycler instead of the landfill saves tax payers upwards of \$65/ton. Philadelphians with City provided trash collection dispose of about 700,000 tons of waste a year, currently about 105,000 tons is recycled, up from just 52,500 tons a few years ago. The Philadelphia Recycling Rewards program is made available to residents through a partnership with RecycleBank. The City's partnership is pay for performance - RecycleBank is only paid if recycling increases and the tax payers are saving more. There are literally millions of tax dollars to be saved by increased recycling.

How the fee works

The less than \$6 per week fee will allow the City to take some of the General Fund revenues that otherwise would pay for sanitation services, and apply them to pay for other services such as police, libraries and fire. Properties that can document private trash collection will be exempt from the fee. Low-income property owners will have a \$100 credit applied to the fee, bringing the fee to less than \$4 a week. A property owner with a family of four and an income of \$42,277 will qualify for the credit by participating in the Real Estate Tax Installment program. A property owner who fails to pay their bill will be charged penalties and interest. Trash will still be collected so there is no incentive to dump trash in vacant lots or others areas.

Paying for sanitation services today

In 2009, City Council passed a bill instituting an annual bill on multi-unit buildings and small commercial establishments with City provided trash collection. This will contribute about \$3.7 million toward sanitation costs. The remainder is paid for out of the General Fund revenues from the real estate tax, the wage tax, the business privilege tax, the real estate transfer tax and several other taxes. There is no specific percentage of each tax dedicated to sanitation, so it is not possible to say that a certain portion of any tax (e.g. property taxes) pays for sanitation.

Not alone, many large cities pay separately for sanitation services

Philadelphia would not be alone in charging separately for sanitation services. More than 30 of the 100 largest U.S. cities have sanitation fees including: Los Angeles, Houston, Atlanta, Minneapolis, Seattle, Austin and Cleveland.

The right choice during challenging times

The choice to propose a Keep Philly Clean Fee was not easy. No one wants to pay more during challenging economic times. Unlike other revenue streams, the Keep Philly Clean Fee creates real value by restoring services, expanding the capacity of the City to clean vacant lots and free up dollars to preserve police, fire, library and recreation services. Philadelphia Recycling Rewards presents an opportunity for residents to earn back in savings much of the new fee.

Keep Philly Clean Service: Frequently Asked Questions

Why a new fee for property owners with City provided trash and recycling collection?

The Keep Philly Clean Fee allows the City to take tax revenues that otherwise would pay for sanitation services and apply them to keep cops on patrol, fire companies active, libraries lending, health centers open, summer jobs for young people available and swimming pools filled. A portion of the fee will be directed to neighborhood cleaning and greening. Mechanical leaf collection will be restored and leaf recycling provided. New Citywide cleaning crews will keep our neighborhoods cleaner than ever before and will expand vacant lot cleaning.

What is the proposed fee and who will be charged?

Every property with City provided trash collection will be charged \$5.77 per week (\$300 per year).

Don't my tax dollars already pay for this?

Sanitation services are currently paid for out of the General Fund revenues from the real estate tax, the wage tax, the business privilege tax, the real estate transfer tax and several other taxes. There is no specific percentage of each tax dedicated to sanitation, so it is not possible to say that a certain portion of any tax (e.g. property taxes) pays for sanitation. The vast majority of all tax revenues pay for employee pensions and health benefits, social services, public safety, prisons and debt service.

Is there anything I can do to reduce the impact of the fee on my family's budget?

Yes, every property with City provided recycling collection is eligible to participate in Philadelphia Recycling Rewards. This includes individual apartments in multi-unit buildings with City recycling collection. Regardless of whether you are single, married, or raising a family; financially comfortable or working on a tight budget, Philadelphia Recycling Rewards saves Philadelphians' money. Whether you are grocery shopping, picking up odds and ends at your local pharmacy, enjoying Philadelphia's nightlife and cultural attractions or taking in a movie, Philadelphians can now easily realize savings of \$100 and as much as \$400 a year by recycling and shopping at more than 150 local businesses. Some examples from the current program include:

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Will there be a reduced fee for low-income homeowners?

Yes, low-income property owners can have a \$100 credit applied to the fee, bringing the fee to \$3.85 week (\$200 per year). Property owners can receive the credit by participating in the Real Estate Tax Installment program. Currently, a household of four can qualify for the program with an income as high as \$42,277 (about 200 percent of the federal poverty guidelines). The program accepts applications between November and the end of February each year. Every property owner receives an application with their real estate tax bill.

Won't there be an increase in short dumping?

Because everyone pays, the fee creates no incentive to dump trash in vacant lots or other areas. Additionally, a portion of the funds will be used to expand neighborhood cleaning and vacant lot programs.

How much revenue will the fee raise?

The fee is estimated to raise \$107 million per year.

When will the fee go into effect?

The fee applies for the year beginning July 1, 2010 and ending June 30, 2011, residents will likely receive bills around January 1, 2011.

What happens if a property owner doesn't pay the fee?

The property owner will be charged penalties and interest; eventually a lien may be placed on the property. The City is exploring the possibility of credit bureau reporting for delinquent property owners.

Are any properties exempt?

Properties that can document a contract for private trash collection will be exempt from the fee.

Will renters pay the fee?

In 2009, City council passed a bill instituting an annual bill on multi-unit buildings and small commercial establishments with City provided collection. Renters in multi-unit buildings with City collection may already have the bill passed on to them. Passing on the cost of the fee through to renters is the choice of landlord.

Who will administer the fee?

It is anticipated that that Revenue Department will administer the fee.

Does the fee structure create opportunities to fund other priorities?

Yes. For many years City Council has tried to figure out a way to repair privately owned common driveways. The fee structure might create a mechanism for groups of property owners to contribute to a fund for the Streets Department to advertise, bid and manage the repair of common driveways.

Are fees paid for sanitation services in other large cities?

Philadelphia would not be alone in charging separately for sanitation services. More than 30 of the 100 largest U.S. cities have sanitation fees including: Los Angeles, Houston, Atlanta, Minneapolis, Seattle, Austin and Cleveland.