



FISCAL IMPACT NOTE

Ordinance: O-9-20

Title: Comprehensive Bag Reduction

Date: February 19, 2020

This ordinance prohibits the use of plastic bags and paper bags that contain less than 40% post-consumer recycled content at retail businesses within the City. The ordinance also requires that retailers collect a \$.20 surcharge for any checkout bag provided to a customer and exempts any businesses whose facilities are less than 20,000 square feet from the surcharge. The business may retain \$.10 of the surcharge to cover its administrative costs and remit the other \$.10 to the City each month. The ordinance also provides that the Office of Environmental Policy (OEP) can issue citations and charge fines for violation of the provisions.

The ordinance directs the revenue to the Watershed Restoration Fund after deducting amounts necessary to cover administrative costs. The provisions assign collection responsibility to OEP; however, we recommend that the language be clarified to require collections come directly to the Finance Office.

Revenue: We cannot estimate the amount of revenue that the City would collect from the surcharge or any fines. According to the Staff Report, there are 376 retail properties in the City and 356 of these are less than 20,000 square feet. Therefore, the City would collect the \$.10 surcharge from approximately 20 businesses. The potential costs of administering the surcharge and monitoring compliance with the ban are outlined below; however, with only 20 business collecting the surcharge; it is uncertain whether the charge would offset the costs of the program.

Potential Costs: As the Staff Report indicates, OEP does not have the resources to facilitate the additional inspection and citation responsibilities. The approximate salary range of an Environmental Inspector (A15), including benefits is \$110,000 - \$165,000; although OEP does not believe a full time inspector is necessary. Further, OEP inspection would decrease as the program is implemented.

The Finance Department may have to reallocate current staff and/or hire additional staff to collect the fees and conduct the audits. Assuming that type of position would be at an A09, the annual salary and benefits would range from \$81,000 – \$118,000. However, we cannot determine whether a full time employee would be required.

Prepared by Jodee Dickinson, Finance Director