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Rahm Emanuel Seeks Pay-for-Trash Plan To Close Budget Deficit

By Dave McKinney

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Chicago is just one of three major American cities that currently hauls away garbage for the bulk of its residents for free, but Mayor Rahm Emanuel is about to take away that perk - and finding that the rich and poor have very different views of trash collection in this city.

Facing an estimated \$745 million budget shortfall, the mayor will introduce a first-ever garbage fee in his budget address on Tuesday. Emanuel also will announce a \$543 million property tax hike, a 65-percent increase above current levies and the largest jump in modern memory.

Both steps are responses to fiscal distress that has reduced Chicago to the same junk-status credit rating as Detroit, which only came out of bankruptcy last year. They reflect Emanuel's limited options for a quick infusion of dollars, particularly since the state legislature is locked in a budget impasse that has carried on for nearly three months past the July 1 start of the state's fiscal year. Emanuel also will proposed a tax on the sale of e-cigarettes and new surcharges on ridesharing companies, such as Uber.

Among big U.S. cities, only Chicago, Boston and New York City do not charge residents at least some fee tied to garbage disposal, according to a 2014 study by the Citizens Budget Commission, a New York City-based civic watchdog. Chicago also is the second-least-efficient garbage collector, with only New York paying more to collect a ton of garbage, the group found.

The new \$9.50 per month flat fee Emanuel wants to charge the 613,000 households that would have to pay for garbage collection is expected to raise more than \$60 million. The mayor has proposed cutting that monthly fee in half for about 40,000 seniors with household income of \$55,000 or less.

The decision to target garbage is a measure of the political risks President Obama's former chief of staff is taking early in his second term as Chicago mayor. It may further divide rich and poor in a city known for its fractious politics, with wealthier neighborhoods appearing most likely to buy in, but resistance emerging from low-income areas where garbage service is spotty and residents worry about whether they can afford to pay.

"I'm hearing a 'no' on property taxes and a 'hell no!' on a garbage tax," said Alderman Ricardo Munoz, whose ward on Chicago's southwest side, which is mainly low and middle-income, voted overwhelmingly against Emanuel in last spring's mayoral election. The ward gave Emanuel's left-of-



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center opponent in this year's mayoral race, Cook County Commissioner Jesus "Chuy" Garcia, 80-percent support.

In the predominantly African American South Lawndale neighborhood on Chicago's West Side, Janie Sims predicted neighbors on her violent, impoverished street - a thoroughfare marked by frequent shootings, with many vacant lots and boarded-up, century-old brick homes - wouldn't pay because service is unreliable. Vagrants often steal garbage containers in her alley. "I don't have any place to put my trash," said Sims, a 63-year-old lab technician. "It's horrible."

Other aldermen believe imposing a garbage fee stops the free ride for people living in residences smaller than four units, who have in effect been subsidized by those in condominiums and other larger apartment buildings who are charged for garbage collection.

"They're paying for everybody else to get free garbage pick-up while they have to pay for their own," said Alderman Joe Moore, whose north side ward includes the city's lakefront high rises.

Gunnar Branson, a 50-year-old real estate executive who lives just a block from Emanuel's wood-frame home on Chicago's North Side, flinches at paying a new garbage fee but recognizes its urgency and is resigned to its imposition. "I hate that, but I hate the fact that I have to pay for groceries too, and I have to pay for gas," he said. "Obviously, we want everything for free."

Branson, who lives close enough to Emanuel to occasionally receive the mayor's mail when it is delivered by mistake, said he knows about the troubled and inefficient history of garbage collection in Chicago. But he said that is unrelated to the true economic and environmental costs of waste disposal.

"If there's transparency to the cost of the garbage collection, it can help incent people to throw away less and to be mindful of the flow of refuse, which from an environmental standpoint is a good thing," he said.

Emanuel's revenue-raising swoop on Chicago's piles of garbage also provides a glimpse into the way inefficiency and corruption have bloated Chicago's city's budget. A former sanitation department commissioner, Al Sanchez, served prison time after a federal jury in 2009 found he gave jobs and promotions in exchange for campaign work for the Democrats.

Chicago is a rarity among major cities for using three-person crews on garbage trucks, an arrangement New York City abandoned in the 1980s. One study said Chicago could save \$19.4 million by moving to two-person crews.

Emanuel expended political capital in his first term imposing a simpler, money-saving route map that followed the city's grid-based street system, rather than political ward boundaries that had defined garbage routes for generations. Emanuel claimed the change has saved the city an estimated \$28 million per year.



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Despite the new efficiency in routes, a city budget spokeswoman said Chicago this year expects to spend \$244 million on garbage collection, a rise of 16 percent in the past four years. One factor keeping costs high: the city's 50 aldermen successfully have preserved the jobs of so-called "ward superintendents," plum positions that often include \$100,000-plus salaries to oversee garbage collection, snow removal and other services in the city's 50 wards.

A 2011 report from Chicago's inspector general estimated private contractors could shave \$165 million from the city's trash costs that year of \$210 million.

But privatization is considered unlikely because of labor union opposition and the lingering bad taste left by the 2009 decision to lease the city's parking meters to a private company. Parking rates have quadrupled since then.

"For some cities, particularly on the West Coast where private-sector workforces are used for garbage collection, the entirety of the cost is passed along to residents," said Tammy Gamerman, a senior research associate with the Citizens Budget Commission, who has written its reports on the subject.