



**TO:** T.C. Broadnax, City Manager  
**FROM:** Michael P. Slevin III, P.E., Director, Environmental Services  
Gary H. Kato, Division Manager, Solid Waste Management  
**COPY:** City Council and City Clerk  
**SUBJECT:** Request for Ordinance Amending Chapter 12.09 of the Municipal Code related to  
Solid Waste Rates for the years 2017 and 2018 – November 15, 2016  
**DATE:** October 27, 2016

*H.P.S.*

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**SUMMARY:**

An ordinance amending Chapter 12.09 of the Municipal Code, relating to Solid Waste, Recycling, and Hazardous Waste, to adjust rates and charges for services provided by the solid waste utility for the years 2017 and 2018.

**STRATEGIC POLICY PRIORITY:**

- Strengthen and support a safe city with healthy residents.
- Assure outstanding stewardship of the natural and built environment.
- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

The proper collection and disposal of solid waste maintains the environmental health of the community by preventing the accumulation of solid waste and debris in the local environment. The proper handling of solid waste helps keep the City clean and maintains the quality of life for all citizens. By ensuring adequate solid waste management is in place to provide necessary services to businesses and residents, this utility promotes the growth and development of a vibrant economy.

**BACKGROUND:**

The Environmental Services Department, working with the Environmental Services Commission (ESC), has updated its multi-year rate plan and developed proposed general revenue increases for the 2017-2018 biennium for Solid Waste Management (SWM) customers. Consistent with the recommendation from the ESC, a four percent (4%) per year increase is proposed.

The low income elderly/low income disabled discount has been maintained at 30 percent.

The Environmental Services Department delivered presentations to the Neighborhood Councils, the Government Performance and Finance Committee, and to the City Council at the October 18, 2016 study session.

**ISSUE:**

Adequate funding of the solid waste utility is necessary to fund the expenditures of the utility, and continue the mission to provide necessary services to the rate payers.

**ALTERNATIVES:**

The alternative to the proposed action is no increase in rates or revenues. A majority of SWM's operating costs support revenue generating activities, so it would further compromise SWM's financial position to cut those activities. If revenue increases are not approved, a combination of cuts to activities that do not generate revenues or important non-operating projects would be required. Some services that do not generate revenue, such as household hazardous waste,



would be reduced; and other facilities, such as the Recovery and Transfer station, may see a reduction in operating hours to reduce costs. In addition, a reduction in capital spending would be implemented, which would delay the conversion of the SWM fleet to cleaner burning vehicles.

**RECOMMENDATION:**

An ordinance amending Chapter 12.09 of the Municipal Code, relating to Solid Waste, Recycling, and Hazardous Waste, to adjust rates and charges for services provided by the solid waste utility for the years 2017 and 2018.

**FISCAL IMPACT:**

**EXPENDITURES:**

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
<b>TOTAL</b>			

\* General Fund: Include Department

**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4200	512000	Various	\$10,000,000
<b>TOTAL</b>			

**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET:** None.

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED?** Yes