



TO: T.C. Broadnax, City Manager
FROM: Michael P. Slevin III, P.E., Director, Environmental Services
Gary H. Kato, Division Manager, Solid Waste Management *HPS*
COPY: City Council and City Clerk
SUBJECT: Request for Ordinance Amending Chapter 12.09 of the Tacoma Municipal Code related to Solid Waste Rates for the years 2015 and 2016 – December 2, 2014
DATE: November 12, 2014

SUMMARY:

An ordinance amending Chapter 12.09 of the Tacoma Municipal Code, relating to Solid Waste Management, to adjust rates and charges for services provided by the Solid Waste Utility for the years 2015 and 2016; add language establishing the Commercial Call2Haul program; and add a new Section 12.09.092 granting authority for the Director to designate customers with a combination of commercial and residential services to receive a single class of service.

STRATEGIC POLICY PRIORITY:

- Strengthen and maintain a strong fiscal management position.
- Strengthen and support public safety, human services, public education, and diverse higher learning opportunities in Tacoma.
- Foster neighborhood, community, and economic development vitality and sustainability.
- Encourage and promote an open, effective, results-oriented organization.

The proper collection and disposal of solid waste maintains the environmental health of the community by preventing the accumulation of solid wastes 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 2015-2016 biennium for Solid Waste Management (SWM) customers. Consistent with the recommendation from the ESC, a five percent (5%) per year increase is proposed.

The proposed amendments include adding a new Section 12.09.092 which would give the authority for the Director to designate customers with a combination of commercial and residential services on contiguous properties to receive a single class of service; and adding language in Section 12.09.120 to establish the Commercial Call2Haul program.

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 14, 2014 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. Among the considered reductions would be elimination of important non-operating projects or programs such as the waste characterization project and use of Biodiesel. These reductions would not impact revenues. These reductions would reduce future cost savings and are contrary to the goals established by the City Council, City Manager, and Environmental Services.

RECOMMENDATION:

The Environmental Services Department recommends amending Chapter 12.09 of the Tacoma Municipal Code, relating to Solid Waste Management, to adjust rates and charges for services provided by the Solid Waste Utility for the years 2015 and 2016; add a new Section 12.09.092 granting authority for the Director to designate customers with a combination of commercial and residential services to receive a single class of service; and add language establishing the Commercial Call2Haul program.

FISCAL IMPACT:

EXPENDITURES:

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

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Solid Waste Rate revenue	512000		\$5,116,000
TOTAL			\$5,116,000

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: No impact to the current biennial budget.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes