

CITY COUNCIL MEMORANDUM

AGENDA ITEM

Ordinance Amending Solid Waste Collection and Disposal Rates for Fiscal Year 2014-15

ORIGINATING DEPARTMENT

Public Works/Solid Waste

BACKGROUND INFORMATION

Due to the City's projected growth, inflation, and required capital improvements, the City Council authorized a professional services contract for the study of solid waste rates necessary to meet current and future solid waste collection and disposal needs. The study was completed by SCS Engineers and adopted by City Council on February 24, 2015.

DISCUSSION/CONCLUSION

In accordance with our planning practices, SCS Engineers was engaged to perform a master plan and rate study. The study analyzed solid waste services, future expansion, and replacement of assets. The study also analyzed the cost of providing services due to inflation, growth, and the cost of additional debt to fund capital needs. The rate recommendations cover a five-year study period.

Based upon the rate study, the proposed rates for all residential customers who use a 96-gallon container would increase from \$17.50 to \$19.76. For customers who choose the 64-gallon container, the monthly charge would increase from \$15.60 to \$17.76. For customers who choose the 32-gallon container, the monthly charge would increase from \$14.38 to \$16.76.

In addition, the rate for commercial customers who choose a 96-gallon container will increase from \$17.50 to \$21.30. All other commercial rates will increase by 7.80%.

All special service and administrative fees outlined in Chapter 2, Division 6, Fees and Chapter 24, Division 6, Rate schedule, as well as any other fees not outlined above, will increase by 5%.

In addition, the Solid Waste Division recommends the City adjust customer rates annually and every (12) month period thereafter, by the same percentage as the Consumer Price Index (CPI) (Dallas / Fort Worth Region for All Urban Consumers, less energy) as published by the US Department of Labor, Bureau of Labor Statistics, during the preceding twelve (12) months as measured from July of the previous year to June of the then current year.

FISCAL IMPACT

The receipt of additional revenue will more accurately offset the cost of expense for the solid waste services.

RECOMMENDATION

Staff recommends that the City Council adopt the attached ordinance amending the solid waste collection and disposal rates.