



# City of Killeen

## Legislation Text

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**File #:** OR-23-013, **Version:** 1

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Consider an ordinance amending the Code of Ordinances Chapter 24, Solid Waste, to amend commercial solid waste rates.

**DATE:** August 1, 2023

**TO:** Kent Cagle, City Manager

**FROM:** Jeffery Reynolds, Executive Director of Public Works

**SUBJECT:** Ordinance Amending Solid Waste Commercial Rates

### **BACKGROUND AND FINDINGS:**

On July 17, 2021, City Council received the results of the solid waste rate study. The study found that the City's commercial revenues were insufficient to fully fund the projected expenses over the next three years. It also found that residential revenues could sufficiently fund the projected expenses over the next three years.

On September 14, 2021, Council approved a commercial rate increase of eight percent (8%) to offset the projected shortfall in the Solid Waste Fund. The first year of the recommended increase was approved in FY 2022, the second year was approved in FY 2023, and the final increase is reflected in the FY 2024 Proposed Budget. The most common commercial service is a two-yard container serviced once a week. The current cost of this service is \$91.82. The proposed cost of service is \$99.17.

The rate adjustment will assist in refuse truck replacement and meeting rising costs associated with the transport of disposal of solid waste. The increase is estimated to generate an additional \$581,067 in annual revenue.

### **THE ALTERNATIVES CONSIDERED:**

- (1) Do not amend solid waste commercial rates and continue using current rates.
- (2) Amend solid waste commercial rates.

### **Which alternative is recommended? Why?**

Alternative two (2) is recommended as it provides the needed revenue to meet the needs of the Solid Waste Fund.

### **CONFORMITY TO CITY POLICY:**

The proposed ordinance conforms to applicable City policy, to include holding a public hearing as required by

the City Charter, Article III, Section 38 for an ordinance increasing a fee.

**FINANCIAL IMPACT:**

**What is the amount of the expenditure in the current fiscal year? For future years?**

The financial impact is an additional \$581,067 in revenue from the third year of the commercial rate increases. The additional revenue was included in the FY 2024 Proposed Budget.

**Is this a one-time or recurring expenditure?**

N/A

**Is this expenditure budgeted?**

N/A

**If not, where will the money come from?**

N/A

**Is there a sufficient amount in the budgeted line-item for this expenditure?**

N/A

**RECOMMENDATION:**

City Council approve the ordinance amending Chapter 24, Solid Waste, of the Code of Ordinances, to amend commercial solid waste rates.

**DEPARTMENTAL CLEARANCES:**

Public Works  
Finance  
Legal

**ATTACHED SUPPORTING DOCUMENTS:**

Ordinance