

REQUEST FOR COUNCIL ACTION

SUBJECT: Update Solid Waste Rates

SUMMARY: Increase to solid waste rates to meet rising contract costs: 9.5% (July 1, 2017).

FISCAL AND/OR ASSET IMPACT: About \$1.2M additional annual revenue.

STAFF RECOMMENDATION:

Staff supports the City Manager's recommendation. Staff also recommends using a consultant in near future for a Cost of Service Analysis and comprehensive utility rate study (last done in 2006) to create long-term solution.

MOTION RECOMMENDED:

"I move to adopt City Manager's recommended Solid Waste rate increase with an effective date of July 1, 2017"

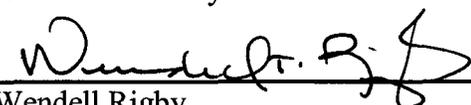
Roll Call vote required

Prepared by:



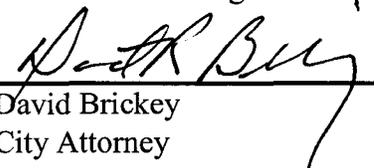
Stephen Glain
Mgt. Asst. to City Mgr.

Recommended by:



Wendell Rigby
Public Works Director

Reviewed as to Legal Sufficiency:



David Brickey
City Attorney

Recommended by:



Mark R. Palesh
City Manager

BACKGROUND DISCUSSION:

Since rates were last changed in 2013, expenses have increased in operations and contract costs.

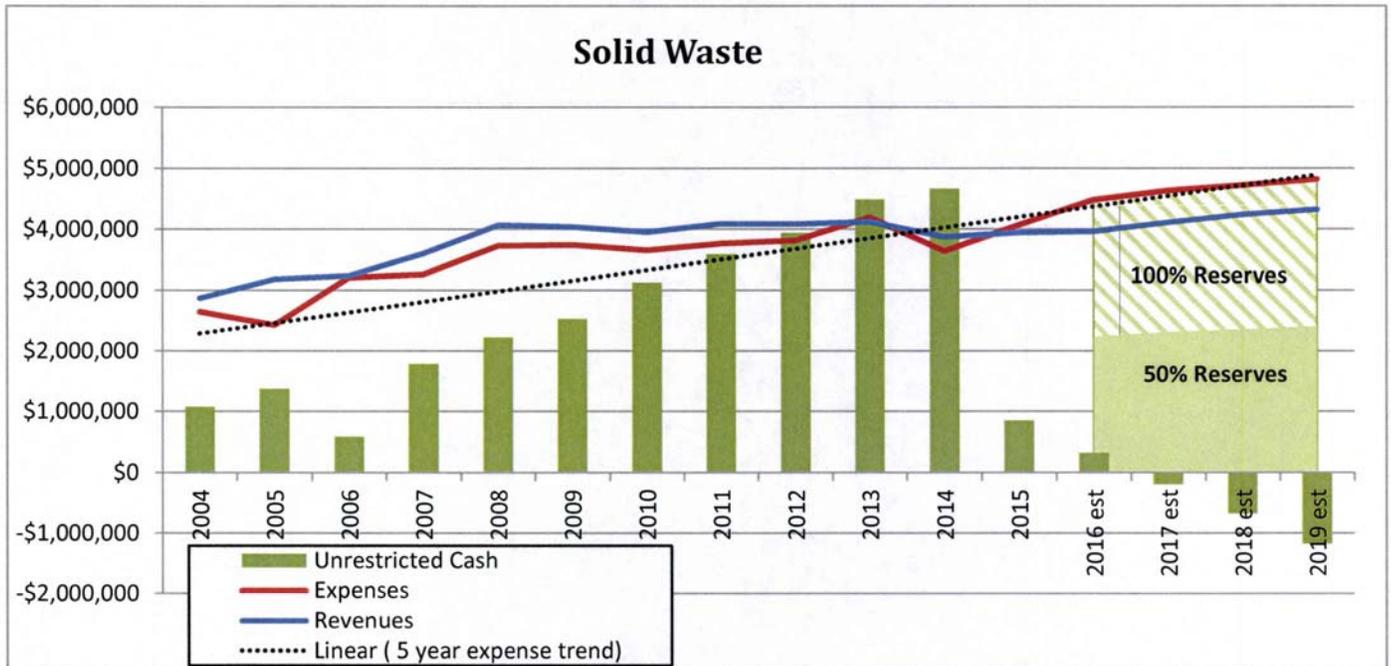
The City Manager is recommending this rate increase for all solid waste customers:

- First phase 4.9% (already implemented Oct.1, 2016)
- Second phase 9.5% (July 1, 2017)

Solid Waste
No DPW
 No Rate Changes

	<u>Revenues</u>	<u>Expenses</u>	<u>Unrestricted Cash</u>	<u>Notes</u>
2004	2,865,097	2,646,161	1,076,619	
2005	3,185,479	2,429,589	1,377,725	
2006	3,239,427	3,208,035	587,880	
2007	3,599,668	3,261,335	1,790,804	
2008	4,065,855	3,728,903	2,225,965	
2009	4,033,183	3,744,193	2,533,837	
2010	3,955,366	3,652,419	3,126,970	
2011	4,089,160	3,761,032	3,592,972	
2012	4,085,054	3,817,376	3,945,789	
2013	4,120,642	4,189,136	4,490,590	
2014	3,875,424	3,639,087	4,665,554	
2015	3,940,325	4,070,686	850,574	Transferred \$4M to Storm
2016 est	3,962,744	4,483,489	329,829	contract +2% annually, more dumpsters
*2017 est	4,108,375	4,631,727	-193,523	contract +2% annually
2018 est	4,239,086	4,724,362	-678,799	contract +2% annually
2019 est	4,323,868	4,818,849	-1,173,780	contract +2% annually

* Rate increase 4.9% approved by Council, already in effect since Oct.1, 2016 (FY2017)



Solid Waste

2 Phase Plan (no DPW bond)

Rate increases: *4.9% (10/1/16) and 9.5% (7/1/17)

	<u>Revenues</u>	<u>Expenses</u>	<u>Unrestricted Cash</u>	<u>Notes</u>
2004	2,865,097	2,646,161	1,076,619	
2005	3,185,479	2,429,589	1,377,725	
2006	3,239,427	3,208,035	587,880	
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2016 est	3,962,744	4,483,489	329,829	contract +2% annually, more dumpsters
*2017 est	4,108,375	4,631,727	-193,523	contract +2% annually
2018 est	4,641,799	4,724,362	-276,086	contract +2% annually
2019 est	4,734,635	4,818,849	-360,299	contract +2% annually

* Rate increase 4.9% approved by Council, already in effect since Oct.1, 2016 (FY2017)

