



ar-1316

Pgs. 110-146

City Council - Regular Meeting

Meeting Date: 11/19/2014

Submitted For: Ki Bealey, Public Works Department

Add'l Contributors:

Project No: NA

Funding/BARS No.: NA

Financial Comments: Landfill: 8% increase in 2015 and 2016; Sanitation: 8% increase in 2015 and 7% in 2016;
Recycling: 1.9% CPI adjustment for 2015

Information

ITEM TITLE:

Ordinance establishing various solid waste collection and disposal rates, charges and penalties for the City of Walla Walla.

HISTORY/POLICY ISSUES:

~~LANDFILL: 8% increase proposed for 2015 and an 8% increase proposed for 2016.~~

Landfill rates were increased for both 2013 and 2014 by adoption of Ordinance 2012-27. Prior to that, rates had not been adjusted since 2010 (Ordinance 2009-25).

Over the last four years staff has taken numerous actions to control costs and improve the long-term financial stability of the Landfill fund. These actions included:

1. Conducting a detailed financial review of the fund;
2. Establishing a sinking fund to help pay for planned future capital expenditures;
3. Controlling operational expenses to pre 2011 levels;
4. Reducing vehicle replacement costs through the pursuit of one-time rebuilds of key equipment;
5. Pursuit of winter hours of operation (slated for implementation on November 3, 2014);
6. Evaluated staffing and service levels; and
7. Pursuit of staff cross-training to minimize overtime costs and provide for improved customer service.

As can be seen from the attached financial projections, regular, annual increases to improve fund health and establish financial stability are anticipated to be needed through 2019.

SANITATION: 8% increase proposed for 2015 and a 7% increase proposed for 2016

Sanitation rates were last increased five years ago by adoption of Ordinance 2009-25. Actions taken over the past five years to control costs include:

1. Approximately a 23% reduction in staffing (reduced by 3 FTEs through attrition);
2. Reduced and/or eliminated non-essential programs funded by Sanitation (Earth Day collection event, reduced free Landfill passes to one from two, eliminated the glass collection program); and
3. Collections utilizing temporary help to assist with peak season workload (spring - fall).

Landfill tip fees account for approximately 25% of Sanitation's annual expense budget.

As can be seen from the attached financial projections regular, annual increases are anticipated to be needed through 2020.

RECYCLING: BDI requesting 1.9% CPI increase in accordance with the 2009 Recycling Services contract.

The proposed increases in rates are consistent with the Walla Walla Urban Area Comprehensive Plan Goal 7, Objective 2: "To maintain a sound financial condition to allow flexibility that ensures the City is in a position to react and respond to changes in the economy and new service challenges without measurable financial stress."

FINANCIAL IMPACTS:

LANDFILL: 8% increase proposed for 2015 (\$76.70/ton tip fee, a \$5.70 increase per ton) and an 8% increase proposed for 2016 (\$82.80/ton tip fee, an additional \$6.10 increase per ton). The current (2014) rate is \$71.00/ton.

SANITATION: 8% increase proposed for 2015 (monthly 96 gallon residential charge of \$20.56/month, a \$1.52/month increase) and a 7% increase proposed for 2016 (monthly 96 gallon residential charge of \$22.00/month, a \$1.44/month increase over 2015 rates). The current (96 gallon residential) rate is \$19.04/month.

RECYCLING: BDI is requesting a 1.9% CPI increase in accordance with the 2009 Recycling Services contract. This amounts to a \$0.08 increase for every other week service. If approved, the 2015 rate would be \$4.47/month. The current rate is \$4.39/month.

ALTERNATIVES:

LANDFILL: Different rates could be adopted. For example:

1. The capital set-aside amounts for 2015 and 2016 (\$200,000) could be reduced and/or eliminated, which would either result in a continued reliance on borrowing to pay for future capital costs or the annual set aside would need to be higher in future years to "catch-up"; or
2. If Council wanted the revenues to match expenses for 2015 and 2016, approximately a 13% rate increase would be required for 2015 followed by a 5% increase in 2016. However, this could create price shock and drive tonnage crossing the scales down and be counter productive.

Please note that due to the impact Landfill tip fees have on Sanitation's expenses, any changes to the proposed landfill rates will require re-examination of the Sanitation rates.

SANITATION: Different rates could be adopted. For example:

1. If Council wanted the revenues to match expenses for 2015 and 2016, approximately an 18% rate increase would be required for 2015, but no increase would be needed in 2016.

RECYCLING: This request is in accordance with the 2009 Recycling Services contract. However, the contract does provide the City with sole discretion for approval of increases. If the City fails to approve the request, the Contractor may terminate the Contract following one year's written notice to the City.

STAFF RECOMMENDATION:

Approve the Ordinance establishing various solid waste collection and disposal rates, charges, and penalties for the City of Walla Walla.

CITY MANAGER'S COMMENTS:

Approved for City Council action.

Attachments

Ord 2014-36

Solid Waste Budget Info

January 1 of each year, charges revert to the basic rate per yard until the customer has purchased enough compost to qualify for a lower rate. The tiered rate schedule is as follows: Purchases of 10 yards or less are charged at the basic rate for 1 – 10 yards of compost. After 10 yards of compost are purchased, customers qualify for a reduced rate for purchase of yards 11 through 200. After 200 yards of compost have been purchased, customers qualify for a further reduced rate for purchase of yards 201 through 500. After purchasing 500 yards, customers qualify for a further reduced rate. Please see the above rate schedule for the current and applicable rate for each tier.

Section 3: The following utility rates, charges, credits, and penalties are hereby established and collectively referred to herein as rates. The 2016 rates listed below shall replace the 2015 rates listed in section 1 and 2 herein effective January 1, 2016:

Description	Municipal Code Section	2016 rate in dollars
SANITATION		
Collection service permit	8.20.050(B)	63.60
Regular residential curb side service per dwelling unit (DU) - 96 gallon	8.20.195(A)	22.00
Regular residential curb side service per dwelling unit (DU) - 64 gallon (available only to green waste container collection service subscribers)	8.20.195(A)	16.80
Green waste container collection service	8.20.198(A)	18.20
Regular residential curb side service- multiple dwelling per additional DU after 1 st & 2 nd DU	8.20.195(A)	18.20
Regular residential curb side service- Rooming house per additional room after 1 st & 2 nd DU	8.20.195(A)	7.30
Reposition residential container	8.20.195(B)	3.90
Off-route residential collections	8.20.195(B)	14.80
Plastic container delivery/ pick-up	8.20.195(E)	14.80
Overfull regular residential containers	8.20.195(B)	7.50
Carry out charge	8.20.195(B)	4.10
Container size service- 300 gallon	8.20.195(D)	79.00
Container size service- 90 & 96 gallon	8.20.195(D)	22.00

Container size service- 30 gallon	8.20.195(D)	20.30
Container size- 1 cubic yard	8.20.195(D)	77.00
Container size- 2 cubic yard	8.20.195(D)	145.40
Container size- 3 cubic yard	8.20.195(D)	192.70
Container size- 4 cubic yard	8.20.195(D)	256.90
Container size- 5 cubic yard	8.20.195(D)	310.70
Container size- 6 cubic yard	8.20.195(D)	363.60
Container size- 8 cubic yard	8.20.195(D)	469.40
Container size- 10 cubic yard	8.20.195(D)	582.40
Off route collection- 30 gallon	8.20.195(E)	26.50
Off route collection- 300 gallon	8.20.195(E)	46.20
Off route collection/overflow- 1 cubic yard	8.20.195(E)	46.20
Off route collection/overflow- 2 cubic yard	8.20.195(E)	60.10
Off route collection/overflow- 3 cubic yard	8.20.195(E)	72.80
Off route collection/overflow- 4 cubic yard	8.20.195(E)	99.40
Off route collection/overflow- 5 cubic yard	8.20.195(E)	119.00
Off route collection/overflow- 6 cubic yard	8.20.195(E)	145.60
Off route collection/overflow- 8 cubic yard	8.20.195(E)	186.10
Off route collection/overflow- 10 cubic yard	8.20.195(E)	232.30
Metal container delivery/pick up/or blocked access	8.20.195(E)	46.20
Biomedical waste collection per collection site	8.20.195(E)	50.80
Biomedical waste collection per pound of waste collected (in addition to collection site charge)	8.20.195(E)	0.90
Clean container 1-10 cubic yard	8.20.195(E)	36.60
Clean truck		64.10
Drop-off box per container delivery/relocation/or blocked access	8.20.195 (M)	126.80

Drop-off box per container pick up	8.20.195 (M)	147.20
Drop-off box - on call service - monthly rental-10CY	8.20.195(M)	184.90
Drop-off box - routed service- monthly rental-20 CY	8.20.195 (M)	183.30
Drop-off box - on call service- monthly rental-20 CY	8.20.195 (M)	236.90
Drop-off box - routed service- monthly rental-30 CY	8.20.195 (M)	262.50
Drop-off box - on call service- monthly rental-30 CY	8.20.195 (M)	284.20
Drop-off box - routed service- monthly rental-45 CY	8.20.195 (M)	243.60
Drop-off box - on call service- monthly rental-45 CY	8.20.195 (M)	311.30
Compacted drop box surcharge per pick up	8.20.195 (M)	37.90
Clean drop box container	8.20.195 (N)	63.30
Recycling per DU	8.20.196	4.47
Recycling (each additional container) per DU	8.20.196	4.47
Recycling carry out charge	8.20.196	3.57
LANDFILL		
Regular disposal charge for loads less than 400 lbs.- per load	8.20.195(F)	17.00
Regular disposal charge for loads between than 400-600 lbs.- per load	8.20.195(F)	24.60
Regular disposal charge per ton for loads more than 600 lbs.- per load	8.20.195(F)	82.80
Tires- loads w/ < 5%- per tire < 15"	8.20.195(G)	9.10
Tires- loads w/ < 5%- per tire > 15" < tractor or combine size	8.20.195(G)	13.60
Tires- loads w/ < 5%- per tire - tractor or combine size	8.20.195(G)	60.30

2016

Tires- loads w/ > 5% but < 50% - per ton	8.20.195(G)	282.40
Tires- loads w/ 50% or greater - per ton	8.20.195(G)	364.30
Asbestos - per ton	8.20.195(G)	352.50
Asbestos surcharge - per load	8.20.195(G)	36.40
Large Animals - assistance surcharge (disposal weight greater than 500 lbs.)	8.20.195(G)	167.50
Biomedical waste - per pound	8.20.195(G)	0.90
Biomedical waste surcharge - per load	8.20.195(G)	41.90
Biomedical waste - special delivery surcharge - per load	8.20.195(G)	83.60
Cement, asphalt, concrete, soil, or rock - per ton	8.20.195(G)	35.10
Cement, asphalt, concrete, or rock - Deposited at special locations by customer at the direction of the City - per cubic yard	8.20.195(G)	7.80
Tainted soil - per ton	8.20.195(G)	82.80
Oil test fee - 50+ gallons	8.20.195(G)	N/A
Computer hardware	8.20.195(G)	18.00
Televisions	8.20.195(G)	35.00
Refrigerated Appliances	8.20.195(G)	55.90
Uncovered loads	8.20.195(I)	94.50
Weighing (standard vehicles, smaller equipment, etc.)	8.20.195(J)	16.20
Weighing (semis, trucks, industrial equipment, etc.) - per axle	8.20.195(J)	8.10
Opening landfill - hourly (or any portion thereof) (2 hour minimum)	8.20.195(K)	155.10
Special handling - hourly (30 minute minimum)	8.20.195(L)	178.20
Yard waste - per ton (\$7.20 minimum)		57.90

PRODUCT PRICES		
Compost less than or equal to 10 yards (price per yard)*		38.80
Compost greater than 10 yards, but less than or equal to 200 yards (price per yard)*		24.70
Compost greater than 200 yards, but less than or equal to 500 yards (price per yard)*		18.40
Compost greater than 500 yards (price per yard)*		16.10
Topsoil - 50/50 compost/dirt (price per yard)		24.70
Fill dirt (price per yard)		10.70

* Compost sales are charged according to a tiered rate schedule based on the amount of compost purchased in a calendar year. Customers are required to provide their receipts for previously purchased compost to the scale house Attendant when requesting a lower rate. As of January 1 of each year, charges revert to the basic rate per yard until the customer has purchased enough compost to qualify for a lower rate. The tiered rate schedule is as follows: Purchases of 10 yards or less are charged at the basic rate for 1 – 10 yards of compost. After 10 yards of compost are purchased, customers qualify for a reduced rate for purchase of yards 11 through 200. After 200 yards of compost have been purchased, customers qualify for a further reduced rate for purchase of yards 201 through 500. After purchasing 500 yards, customers qualify for a further reduced rate. Please see the above rate schedule for the current and applicable rate for each tier.

Section 4: The Walla Walla City Council finds that the rates and charges established herein for City of Walla Walla, and Port of Walla Walla and other public agency rate classifications compensate for the true and full value of the services received by each customer in the applicable classification.

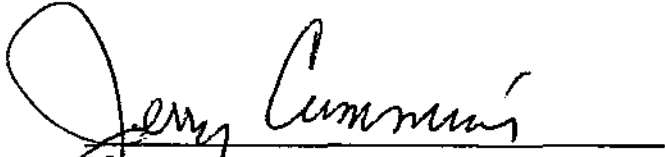
Section 5: This ordinance is referred to in the Walla Walla Municipal Code as the City’s solid waste rate ordinance.

Section 6: The rates and charges herein established are not exclusive and shall apply in addition to any other rates and charges which may apply.

Section 7: The City Clerk is authorized and directed to publish a summary hereof in accordance with Revised Code of Washington §§ 35A.13.200 and 35A.12.160. If required, the City Clerk is also authorized and directed to give notice as required by Revised Code of Washington § 70.95.212.

Section 8: If any part of this ordinance is for any reason declared or held to be invalid or unconstitutional by any court of competent jurisdiction, such part shall be deemed a separate and distinct and independent provision and such holding shall not affect the validity of the remaining parts hereof.

PASSED by the City Council of the City of Walla Walla, Washington, November 19, 2014.



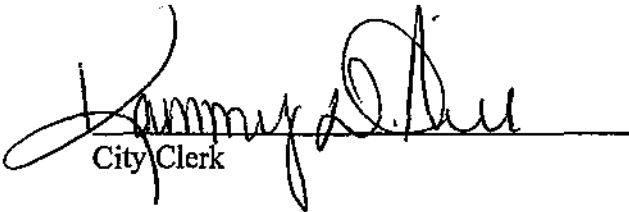
Mayor

Form approved:



City Attorney

Attest:



City Clerk