

SULTAN CITY COUNCIL

AGENDA ITEM COVER SHEET

ITEM NO: C-13
DATE: November 13, 2008
SUBJECT: Set Public Hearing – Garbage Rate Increase
CONTACT PERSON: Connie Dunn, Public Works Director 

ISSUE:

The issue before the City Council is to set a Public Hearing for December 11, 2008 to increase the Garbage Rates for 2009.

STAFF RECOMMENDATION;

City staff recommends the City Council set a public hearing to take comment on increasing garbage rates for 2009 by Ordinance to generate revenues to meet increasing expenditures. The increase is effective pending the budgeted garbage rate study in mid to late 2009.

BACKGROUND:

The garbage rates were last set by Ordinance 849-04 effective July 1, 2004.

Since that time:

- The cost to purchase of dumpsters has doubled in price,
- The cost of fuel has doubled since 2004,
- Employee wages have been rising by the cost of living annually
- Health care benefits has increased over the last several years,
- The cost of maintaining dumpsters and the garbage truck has increased, and
- Allied Waste increased recycling rates by 20%.

During the October 18, 2008 Council Budget Retreat 2008 an interim rate increase of 20% was discussed as an option until the City can complete a garbage rate study in mid to late 2009.

Below is a garbage analysis:

Year	Actual Budget 2005	Actual Budget 2006	Actual Budget 2007	Adopted Budget 2008	Estimated Actual Budget 2008	Proposed Budget 2009
Revenues	540,128	579,658	561,326	573,198	559,350	683,402
% increase/decrease		6.8%	(3.3%)	2.6%		16.1%
Expenses	487,270	477,298	595,585	556,027	509,921	685,902*
% increase/decrease		(2.1%)	19.9%	7.1%		18.9%

2005-2009 Average percentage increase

Revenues	5.55%
Expenditures	7.40%

The 2009 proposed garbage fund budget includes:

- Fuel cost increase
- 20% increase in tipping fees payable to Snohomish County
- Recycling cost increase of 20%

FISCAL IMPACT:

The cost for a customer with one can a week service will be \$3.10 per month. Other increases are listed on Attachment A. The Senior Citizen rate will not increase. The proposed increases will generate approximately \$100,000 per year above the existing rate revenue.

The City received notice from Allied Waste in October 2008 that recycling rates will increase by 20% per customer. The City encourages recycling by having this cost as a pass through cost increase.

RECOMMENDED ACTION:

Set a Public Hearing for December 11, 2008 to be held during the regular City Council Meeting to receive public comment on increasing garbage rates for 2009.

DATE:

ATTACHMENTS:

Attachment A Proposed Garbage Rate Increases

GARBAGE RATES

PER ORDINANCE 849-04 (Effective July 1, 2004)

MUST HAVE NAME AND ADDRESS LABELED ON CAN, BE NO LARGER THAN 32 GALLONS WITH A TIGHT FITTING LID AND WEIGH NO MORE THAN 60 LBS. ALL GARBAGE MUST BE CONTAINED INSIDE THE CAN.

**All Rates include a 3.6% State Utility Tax
All Rates Subject to a 6% City Utility Tax**

Residential (Per Dwelling Unit Per Month)

Twice a week pickup	\$35.00	\$42.00
Once a week pickup	\$15.50	\$18.60
Twice a month pickup	\$9.00	\$10.80
Once a month pickup	\$5.75	\$6.90
Extra Garbage (Each - Regardless of Size)	\$8.75	\$10.50
Qualified low income senior citizen once a week pickup	\$7.20	\$8.64
Senior Citizen/low income annual application must be made at City Hall		Free

Recycling and Yard Waste or as per negotiated agreement with vendor (Per Dwelling Unit Per Month)

Single family detached and multi-family units (duplex, triplex, and fourplex)	\$3.50	\$4.50
Multi-family units of five units or larger	\$3.50	\$4.50
Qualified low income senior citizens	\$3.50	\$4.50

Commercial

Once a week pickup (per unit)	\$15.50	\$18.60
Each additional can or bag	\$8.75	\$10.50
Pickup of 1 yard dumpster bi-monthly	\$28.75	\$34.50
Pickup of 1 yard dumpster one time per week	\$57.50	\$69.00
Pickup of 1 yard dumpster two times per week	\$113.75	\$136.50
Pickup of 2 yard dumpster bi-monthly	\$57.50	\$69.00
Pickup of 2 yard dumpster one time per week	\$113.75	\$136.50
Pickup of 2 yard dumpster two times per week	\$228.75	\$274.50
Pickup of 3 yard dumpster bi-monthly	\$86.25	\$103.50
Pickup of 3 yard dumpster one time per week	\$171.25	\$205.50
Pickup of 3 yard dumpster two times per week	\$343.75	\$412.50

Mobile home courts garbage rates will be in accordance with separate agreements with the City of Sultan.

CALL BACK - due to garbage not placed out in time or obstructed

Can pickup charge	\$17.50	\$21.00
Dumpster pickup charge (Equal to 3 extra can charge)	\$30.00	\$36.00

Temporary Dumpsters (Maximum use is 15 days as defined in SMC 13.16.055)

Damage Deposit (Required to be paid before delivery)		
1 yard dumpster		\$100.00
2 yard dumpster		\$150.00
3 yard dumpster		\$200.00
Delivery/Pickup (each service)		\$105.00
Pickup of 1 yard dumpster (each time)	\$33.75	\$40.50
Pickup of 2 yard dumpster (each time)	\$67.50	\$81.00

Pickup of 3 yard dumpster (each time).....\$101.25\$121.50

*ALL GARBAGE MUST BE CONTAINED INSIDE DUMPSTER
24 HOUR NOTICE REQUIRED BEFORE PICKUP
CALL BACK CHARGES APPLY WHEN NECESSARY*

Dumpster Leases

All multi-family units within the City of Sultan will be required to have a dumpster(s) sized to meet the requirement of SMC 13.16.050(A). No permanent dumpsters are allowed at single-family or duplex units.

Dumpsters shall be owned by the City and leased to the users. Maintenance and repair shall be the responsibility of the City.

Deposit:

1 yard dumpster.....\$105.00
2 yard dumpster.....\$150.00
3 yard dumpster.....\$180.00

Monthly lease (billed monthly)

1 yard dumpster.....\$11.25\$11.90
2 yard dumpster.....\$19.50
3 yard dumpster.....\$54.75
Pick Up/Delivery Fee (each service).....\$105.00

PROPOSED RATE INCREASE