

SULTAN CITY COUNCIL

AGENDA ITEM COVER SHEET

ITEM NO: Action - 1

DATE: January 8, 2009

SUBJECT: Ordinance 1007-09, First Reading Repeal
Garbage Service Rates from Sultan Municipal Code
Ordinance 1014-09, First Reading
Setting Interim Garbage Collection Rates

CONTACT PERSON: Connie Dunn, Public Works Director



ISSUE:

Conduct the first reading of Ordinance 1007-09 (Attachment A) to amend Sultan Municipal Code section 13.16.140 to remove Garbage Rates from the Sultan Municipal Code (Attachment B).

Conduct the first reading of Ordinance 1014-09 (Attachment C) to increase the Garbage Rates for 2009 as an interim measure until the budgeted 2009 Garbage Rate Study can be completed.

STAFF RECOMMENDATION;

1. Approve first reading of Ordinance 1007-09 amending Section 13.16.140 to establish garbage rates and fees by separate Ordinance; providing for severability; and establishing an effective date.
2. Approve first reading of Ordinance 1014-09 adopting interim garbage rates; providing for severability; and establishing an effective date.

SUMMARY:

The City Council held a public hearing on the proposed rate increases on December 11, 2008. This staff report includes two council actions:

1. Amend section 13.16.140 to remove the garbage rates from the Sultan Municipal code. The rates will be established by separate ordinance (Ordinance No. 1014-09) and included in the annual fees schedule as an attachment.
2. Adopt an interim twenty percent (20%) increase to garbage rates and establish the interim rates by Ordinance No. 1014-09.

The new rates will be effective February 1, 2009 after second reading of Ordinance No. 1014-09 at the January 22, 2009 City Council meeting. Customers will see the increase on their March 2009 utility bill.

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 over the last four years,
- The cost of fuel has doubled since 2004,
- Employee wages have continued to raise by the cost of living annually
- Health care benefits have increased over the last several years,
- The cost of maintaining dumpsters and the garbage truck have increased,
- Snohomish County Solid Waste Rates will increase by 15% January, 2009, and
- Allied Waste increased recycling rates by 20% effective January 1, 2009

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

Increasing the Garbage Rates was evaluated at the November 13, 2008 Council meeting during discussion period.

Below is a staff provided 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:

- Vehicle operation and maintenance cost increase of \$20,000, this includes fuel, oil, tires, electronic and hydraulic repair as necessary

- 15% increase in tipping fees payable to Snohomish County, from \$89.00 to \$105.00 per ton.
- 20% increase in recycling costs

At the December 11, 2008 City Council conducted a Public Hearing on the proposed rate increase.

Public Comments Received, Minutes from the Public Hearing part of consent agenda item number C-2:

1. Sam Simpson – requesting revenues for garbage remain in the garbage utility enterprise fund.
2. Debbie Copple – has heard from the business community the increase in garbage rates is too much for them to adsorb. Also, questioned difference in the temporary dumpsters rates for service and the commercial rates. That has been reviewed the difference is the number of calls to the temporary is per service and the commercial is bi-monthly.
3. Received a written comment from Dan, (Attachment C).

FISCAL IMPACT:

The cost for a customer with one can a week service will be increased by \$3.10 from \$15.50 to \$18.60 per month. Other proposed increases are listed in Attachment A. The Senior Citizen rate will not increase for garbage or recycling. The proposed increases will generate approximately \$100,000 per year above the existing rate revenue.

The City received a letter from Snohomish County Solid Waste Division informing the rate for tipping fees will increase from \$89.00 to \$105.00 per ton effective March 1, 2008.

The City received notice from Allied Waste in late October 2008 that recycling rates will increase by 20% to the City per customer on January 1, 2009. The City encourages recycling by having this cost as a pass through cost increase.

RECOMMENDED ACTION:

1. Approve first reading of Ordinance 1007-09 amending Section 13.16.140 to establish garbage rates and fees by separate Ordinance; providing for severability; and establishing an effective date.
2. Approve first reading of Ordinance 1014-09 adopting interim garbage rates; providing for severability; and establishing an effective date.

ATTACHMENTS:

Attachment A	Ordinance 1007-09 Amending Chapter 13.16.140
Attachment B	Sultan Municipal Code Chapter 13.16.140
Attachment C	Ordinance 1014-09 Garbage Rate Increase
Attachment D	Written Comment received November 12, 2008

**CITY OF SULTAN
WASHINGTON**

ORDINANCE NO. 1007-09

**AN ORDINANCE OF THE CITY OF SULTAN,
WASHINGTON, AMENDING SECTION 13.16.140 TO
ESTABLISH GARBAGE RATES AND FEES BY SEPARATE
ORDINANCE; PROVIDING FOR SEVERABILITY; AND
ESTABLISHING AN EFFECTIVE DATE**

WHEREAS, the City Council has determined to remove specific rates and charges from the Sultan Municipal Code and establish rates and charges by separate ordinance; and

WHEREAS, the City Council intends to establish interim garbage rates and charges;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SULTAN, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. 13.16.140 Establishment of Rates and Charges. Rates and charges for garbage collection shall be set by separate ordinance and included as an attachment to the annual fee schedule adopted by City Council.

Section 2. Severability. Should any section, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 3. Effective Date. This Ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

**ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON
THE _____ DAY OF _____, 2009.**

CITY OF SULTAN

Carolyn Eslick, Mayor

ATTEST/AUTHENTICATED:

Laura Koenig, City Clerk

Approved as to form:

Margaret J. King, City Attorney

Passed by the City Council:

Date of Publication:

Effective Date:

13.16.090 Unlawful use of garbage receptacles.

It shall be unlawful for any person to place or deposit any residential or commercial junk, refuse, litter, garbage, tin cans, slops, decaying animal or vegetable matter, ashes, discarded crockery or other substance into any privately owned or leased garbage receptacle, refuse container or dumpster without the owner's permission. (Ord. 506, 1988)

13.16.110 Charges – Levied on owner.

A. A reasonable monthly charge for garbage service rendered by the city of Sultan under its compulsory garbage collection system shall be levied upon the owner of every dwelling, building or structure which by its use or occupancy may cause garbage, waste or debris to accumulate.

B. The garbage service rendered by the city of Sultan is declared to be a special benefit to all property served and unpaid charges shall constitute a lien upon the land and may be foreclosed in the manner provided by law. (Ord. 304 § 6, 1964)

13.16.120 Charges – Monthly billing.

Monthly charges for garbage service shall be paid at the office of the city clerk/treasurer who may send such bills and statements in connection with the collection thereof as are considered necessary; provided further, that such bills and statements may be combined with those of the utility department. (Ord. 304 § 7, 1964)

13.16.130 Income kept separate from other city departments.

The clerk/treasurer shall keep accurate books and records which reflect a complete statement of all income collected through the operation of the garbage collection and control department separate and distinct from the income of other city departments. (Ord. 304 § 8, 1964)

13.16.140 Establishment of fees and charges.

A. Residential garbage rates shall be as follows:

- \$ 35.00 per dwelling unit per month for weekly pickup of two 32-gallon cans or less
- \$ 15.50 per dwelling unit per month for weekly pickup of one 32-gallon can or less
- \$ 9.00 per month for two monthly pickups of one 32-gallon can or less
- \$ 5.75 per month for one monthly pickup of one 32-gallon can or less

- \$ 8.75 per can for each additional 32-gallon can or less in excess of the monthly limitation

Senior citizen low income garbage fees shall be \$7.20 per month. To receive the senior citizen low income rates, annual application must be made at the Sultan City Hall.

B. Recycling and Yard Waste Rates.

- \$ 3.50 per dwelling unit per month for single-family detached and multifamily units (duplex, triplex and fourplex)
- \$ 3.50 per dwelling unit per month for multifamily units of five units or larger
- \$ 3.50 per dwelling unit per month for qualified low income senior citizens

C. Commercial rates shall be as follows:

- \$ 15.50 per unit per month for weekly pickup of one 32-gallon can or less
- \$ 28.75 for pickup of 1-yard dumpster bi-monthly
- \$ 57.50 for pickup of 1-yard dumpster one time per week
- \$ 113.75 for pickup of 1-yard dumpster two times per week
- \$ 57.50 for pickup of 2-yard dumpster bi-monthly
- \$ 113.75 for pickup of 2-yard dumpster one time per week
- \$ 228.75 for pickup of 2-yard dumpster two times per week
- \$ 86.25 for pickup of 3-yard dumpster bi-monthly
- \$ 171.25 for pickup of 3-yard dumpster one time per week
- \$ 343.75 for pickup of 3-yard dumpster two times per week
- \$ 8.75 per can for each additional 32-gallon can or less placed outside or beside any dumpster or in addition to the weekly can allowance

D. Temporary dumpster rates shall be as follows:

- \$ 25.00 delivery/pickup for each service
- \$ 33.75 for pickup of a 1-yard dumpster each time
- \$ 67.50 for pickup of a 2-yard dumpster each time
- \$ 101.25 for pickup of a 3-yard dumpster each time

Maximum use of temporary dumpster is 15 days as defined in SMC 13.16.055.

13.16.150

Damage deposit is \$50.00 required to be paid before delivery.

E. In addition to pickup charges, a call-back charge will also apply to garbage not placed out in time or obstructed:

- \$ 10.00 for can pickup
- \$ 30.00 for a dumpster pickup

F. All multifamily units within the city of Sultan will be required to have a dumpster(s) sized to meet the requirements of SMC 13.16.050(A).

G. Dumpsters shall be owned by the city of Sultan and leased to the users. Maintenance and repair shall be the responsibility of the city.

Damage Deposit:	\$ 105.00	1-yard dumpster
	\$ 150.00	2-yard dumpster
	\$ 180.00	3-yard dumpster
Monthly lease fees:	\$ 8.75	for 1-yard dumpster
(billed quarterly)	\$ 14.50	for 2-yard dumpster
	\$ 17.25	for 3-yard dumpster
	\$ 25.00	for each service

H. All fees and rates under this section are exclusive of any utility tax imposed on the city, and all billings to customers will be charged based upon the fee or rate set out in this section and in addition to the utility tax assessed against the city. (Ord. 912-06 § 1; Ord. 849-04; Ord. 810-03; Ord. 801-02; Ord. 703-99; Ord. 672-97; Ord. 661-97; Ord. 654-96; Ord. 633, 1995; Ord. 585, 1992; Ord. 553, 1990; Ord. 487, 1986; Ord. 478, 1986; Ord. 304 § 9, 1964)

13.16.150 Violation – Penalty.

Any person, firm or corporation violating the provisions of this chapter shall be guilty of a misdemeanor and shall be punished by a fine not to exceed \$250.00. (Ord. 506, 1988)

Chapter 13.20

GARBAGE COLLECTION BUSINESS REGULATIONS

Sections:

- 13.20.010 Purpose.
- 13.20.020 Franchise required.
- 13.20.030 Requirements.
- 13.20.040 Franchise fee.
- 13.20.050 Equipment approval.
- 13.20.060 Rules and regulations.
- 13.20.070 Violation.

13.20.010 Purpose.

This chapter is passed to provide regulation of the business of garbage collection and to provide revenue to the city of the regulation of said business. (Ord. 488 § 1, 1986)

13.20.020 Franchise required.

No person, association or corporation shall engage in the business of hauling or transporting garbage, refuse, rubbish, cans or discarded bottles within the city of Sultan, or in gathering the same within said city for transfer or disposal at some point or area inside or outside of the city without obtaining a written franchise agreement with the city therefor, and complying with the regulations of the city in the pursuit of said business, and providing the collection service as provided by city ordinances. (Ord. 488 § 2, 1986)

13.20.030 Requirements.

Collector franchise agreement shall be competitively bid, approved by the city council and adopted by ordinance. Before such approval, the mayor or his agent shall investigate the trucks and equipment proposed to be used, and shall not approve the same for use under the proposed agreement unless he shall find that the use thereof will adequately contain all garbage, refuse, etc., during such hauling and that the reasonable use thereof will protect the health and welfare of the inhabitants of the city and will not lead to the loss or distribution of garbage or refuse, etc., within the city. (Ord. 488 § 3, 1986)

13.20.040 Franchise fee.

A. Franchise agreements may be granted in accordance with RCW 35.23.251. There shall be levied upon every person, firm or corporation involved in the business of hauling or transporting

**CITY OF SULTAN
WASHINGTON**

ORDINANCE NO. 1014-09

**AN ORDINANCE OF THE CITY OF SULTAN,
WASHINGTON, ADOPTING INTERIM GARBAGE RATES;
PROVIDING FOR SEVERABILITY; AND ESTABLISHING
AN EFFECTIVE DATE.**

WHEREAS, Snohomish County Solid Waste notified the City of Sultan on December 10, 2008 of an increase of tipping fees from \$89.00 to \$105.00 per ton effective March 1, 2009; and

WHEREAS, Allied Waste notified the City of Sultan in October 2008 that recycling rates will increase by 20% to the City per customer on January 1, 2009; and

WHEREAS, the garbage utility is an enterprise fund and all enterprise funds are required to collect sufficient revenues to cover expenses; and

WHEREAS, the City Council authorized and budgeted a Garbage Rate Study in 2009; and

WHEREAS, increasing garbage rates and charges is necessary until the garbage rate study is complete; and

WHEREAS, the City of Sultan held a public hearing on December 11, 2008 and received public comment on the proposed interim increase to rates and charges;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SULTAN, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Establish rates and charges for garbage service as follows:

- 1. Residential (Per Dwelling Unit Per Month)**

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

- 2. 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)	\$4.50
Multi-family units of five units or larger.....	\$4.50
Qualified low income senior citizens.....	\$3.50

3. Commercial (Monthly)	
Once a week pickup (per unit).....	\$18.60
Each additional can or bag.....	\$10.50
Pickup of 1 yard dumpster bi-monthly.....	\$34.50
Pickup of 1 yard dumpster one time per week.....	\$69.00
Pickup of 1 yard dumpster two times per week.....	\$136.50
Pickup of 2 yard dumpster bi-monthly.....	\$69.00
Pickup of 2 yard dumpster one time per week.....	\$136.50
Pickup of 2 yard dumpster two times per week.....	\$274.50
Pickup of 3 yard dumpster bi-monthly.....	\$103.50
Pickup of 3 yard dumpster one time per week.....	\$205.50
Pickup of 3 yard dumpster two times per week.....	\$412.50

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

4. CALL BACK - due to garbage not placed out in time or obstructed	
Can pickup charge.....	\$21.00
Dumpster pickup charge (Equal to 3 extra can charge).....	\$36.00

5. 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.....	\$105.00
2 yard dumpster.....	\$150.00
3 yard dumpster.....	\$180.00
Delivery/Pickup (each service).....	\$105.00
Pickup of 1 yard dumpster (each time).....	\$40.50
Pickup of 2 yard dumpster (each time).....	\$81.00
Pickup of 3 yard dumpster (each time).....	\$121.50

6. 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.....	\$11.90
2 yard dumpster.....	\$19.50
3 yard dumpster.....	\$54.75
Pick Up/Delivery Fee (each service).....	\$105.00

Section 2. Severability. Should any section, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 3. Effective Date. This Ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force on February 1, 2009..

ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE _____ DAY OF _____, 2009.

CITY OF SULTAN

Carolyn Eslick, Mayor

ATTEST/AUTHENTICATED:

Laura Koenig, City Clerk

Approved as to form:

Margaret J. King, City Attorney

Passed by the City Council:

Date of Publication:

Effective Date:

ases discussed by the City Council at the budget retreat could add a minimum of \$6.22 to al utility bills. Other residential fee increases already approved by Council will go into effect mber 1, 2008 including a \$5.75/month stormwater utility fee, a \$5.04 increase in sewer rates, .00 increase in water rates.

iter and sewer budgets, the proposed \$3.12 fee increase would cover the cost of the required ise taxes for water and sewer. Currently, the city pays the state excise taxes from service e City Council also considered a 20% fee increase for garbage fees to pay for increased fuel d dump fees. Fuel costs have increased from \$5,000 in 2006 to \$24,000 in 2009. Dump d by the City will increase 20% per ton effective in 2009. The City operates a cemetery. discussed increasing burial fees from \$1,200 to \$3,200 to fund needed capital improvements tenance.

Laura Koenig, City Clerk at 360-793-2231 or laura.koenig@ci.sultan.wa.us for more ion on the proposed fee increases. -END-

~~Fuel~~ Fuel in 2006 was 260 per GAL
IN 2008 Not over \$500

if PRICES Doubled it would Be 10,000

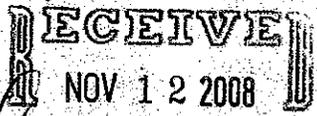
AT 260 Per GAL 5,000 Buys 1923 GAL

$24,000 \div 1923 = \$12,48$ per GAL in 2009
Their ARE 4 options

- 1) Either you have more ~~cus~~ customers & revenue
- 2) You ARE wasting fuel
- 3) You ARE PAYING \$12,48 PER GAL
- 4) You ARE Not telling the whole story

PLEASE let the people of Sultan
Know the truth

Please Responde
all



BY: