

**SULTAN CITY COUNCIL
AGENDA ITEM COVER SHEET**

ITEM NO: Consent C 2
DATE: January 8, 2009
SUBJECT: Council Meeting Minutes

CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director

SUMMARY:

Attached are the minutes of the December 11, 2008 Public Hearing on the Proposed Garbage Rate increases as on file in the office of the City Clerk.

RECOMMENDED ACTION:

Approve as submitted

MOTION:

Move to accept the consent agenda as presented.

CITY OF SULTAN COUNCIL MEETING – December 11, 2008

PUBLIC HEARINGS:

The Public Hearing on the proposed Garbage Utility rate increase was called to order by Mayor Eslick.

Councilmembers present: Champeaux, Wiediger, Slawson, Flower, Blair and Doornek.

Staff: Connie Dunn, Public Works Director, provided the staff report.

The issue before the Council is to conduct the Public Hearing on the proposal to increase the Garbage Rates for 2009 until a Garbage Rate Study can be completed. The new fees would take effect February 1, 2009.

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 have increased over the last several years,
- The cost of maintaining dumpsters and the garbage truck have increased, and
- Allied Waste increased recycling rates by 20% effective January 1, 2009.

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

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. The Senior Citizen rate will not increase for garbage. The proposed increases will generate approximately \$100,000 per year above the existing rate revenue.

Snohomish County Solid Waste Division sent a letter informing the City of an increase of tipping fees from \$89.00 to \$105.00 per ton effective January 1, 2009.

The City received notice from Allied Waste in 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.

Council Comments:

Flower: The cost for tires was \$3,600 and fuel prices have dropped. Asked when the rate study would be completed?

Staff advised that fuel prices are down now but it is projected they will rise again and other items are included under vehicle operations and maintenance. The study will be done in late 2009 and early 2010.

Blair: The commercial rates will have a \$5.75 increase for one time per week pickup and the increase for twice per week will be \$20 per week, asked why?

Staff advised that a 20% increase for all rates was proposed.

Slawson: Asked if the Auditor raised any issues on this fund?

Staff advised that the fund must be self supporting and it could go into a negative balance if rates are not increased.

Champeaux: There needs to be step increase included in the ordinance to provide for cost of living increases each year.

Public Input

Sam Pinson: Doesn't know how the budget works but would support the increases if the money is going into the garbage fund and not used for general fund purposes.

Champeaux: Advised that each fund has to be self supporting and the money can not be used for other purposes. The money stays in the Garbage fund and can't be moved from one fund to another.

Slawson: The Council has worked hard on the budget numbers and this is the bare minimum for the fund to function effectively.

On a motion by Councilmember Flower, seconded by Councilmember Champeaux, the public meeting was closed. All ayes.

Carolyn Eslick, Mayor

Laura J. Koenig, City Clerk