

Memorandum

To: Honorable Mayor Shetter and members of the Burlleson City Council

From: Aaron Russell, P.E., Director of Public Works

Date: January 5, 2009

Subject: Ordinance C-637-07(B0109), establishing rates to be charged for all residential and commercial customers for recyclables and solid waste collection and disposal. (First Reading)

Council Action Requested:

Approve the amendment of Ordinance C-637-07(B0109) on first reading, increasing the current rate for recycling included in the monthly solid waste rate, from \$2.01 per month to \$2.19 based on annual contractual adjustments defined in the contract with Community Waste Disposal (CWD).

Background Information:

The current rate for residential solid waste collections is \$19.73 per month, which includes \$2.01 for recycling collection and \$1.16 for the fuel cost recovery fee, plus the applicable taxes. By contract with CWD, the city is required to adjust the recycling fee by the annual CPI and a fuel adjustment charge. The following paragraphs, which define the calculation for the recycling adjustment, are taken from the city's contract with CWD:

ANNUAL CPI/FUEL COST ADJUSTMENT

All rates submitted on this proposal by Community Waste Disposal (Contractor) will be subject to an Annual CPI/Fuel Cost Adjustment (ACFCA) beginning with year two (2) and including all subsequent years through the term of the contract. The ACFCA will be applicable to all charges for Recycling Services, and other services as contained in the contract. Rates and fees will be adjusted by the contractor for the second and subsequent Contract years for the term of the contract, based on the indices and methodology as described below. If any index defined herein shall not be determined and published or if any index as it is constituted on the Contract Date is thereafter substantially changed, there shall be substituted for such index another index which is determined and published on a basis substantially similar to the index being replaced as shall be mutually agreed upon by the City and the Contractor.

CPI (88%)

The basis for the CPI component of the annual increase will be the increase in the "Consumer Price Index – All Urban Consumers", all items, for the Dallas-Fort Worth, TX Area as published by the U.S. Department of Labor Bureau of Labor Statistics. The contractor has designated 88% of fees and charges to be adjusted by the CPI index. For the Annual Cost Adjustment to be effective on the first anniversary of the contract date; the Base or previous CPI index will be the index published in March, 2007 and the Current CPI Index will be the Index published in March, 2008. For subsequent years the Base CPI will be the previous year's "Current Index Value" and the Current CPI Index will be the March Index for the previous calendar year.

FUEL (12%)

The Fuel portion of the annual Adjustment will be determined using the Department of Energy's Weekly Retail On-Highway Diesel Prices per gallon for the Gulf Coast region as reported by the Energy Information Administration of the U.S. Department of Energy (www.eia.doe.gov). The contractor has designated 12% of fees and charges to be adjusted by the diesel fuel index. For the annual Cost Adjustment to be effective on the first anniversary of the contract date, the Base or Previous Fuel Index will be the average DOE diesel fuel cost per gallon for the three (3) month period ending March 31, 2007. The Current Fuel Index will be the DOE average diesel fuel cost per gallon for the three (3) month period ending March 31, 2008. For all subsequent years of the contract the Base or Previous Fuel Index will be the previous year's "Current Index Value", and the Current Fuel Index will be the average DOE diesel fuel cost for the three month period ending March 31st of the previous calendar year.

The new recycling collection rate, effective the first available billing date from final approval, will be \$2.19 per month. This is an increase of \$0.18 per month.

The city's quarterly fuel cost recovery fee, which is adjusted administratively, will decrease \$0.41 from \$1.16 per month to \$0.75 per month, thus more than offsetting the increase in recycling fees. The total residential fee for solid waste and recycling collection and disposal will be \$19.50 per month plus applicable tax, reflecting an overall residential rate reduction of \$0.23 per month. Since commercial rates do not include the recycling fee, they will be reduced by \$0.41 per month because of the decrease in the city's fuel cost recovery fee.

Board/Citizen Input:

N/A

Financial Considerations:

Revenues will be deposited in the Solid Waste Fund, Public Works Department (Account # 404-0000-341-1000). There is no expenditure of City funds associated with approval of this ordinance.

Attachments:

Ordinance C-637-07 (B0109)

Staff Contact:

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ORDINANCE C-637-07(B0109)

AN ORDINANCE ESTABLISHING RATES TO BE CHARGED FOR THE HAULING AND DISPOSAL OF RESIDENTIAL AND NON-RESIDENTIAL SOLID WASTE, RECYCLABLES AND TRASH WITHIN THE CITY OF BURLESON (AS AUTHORIZED IN SECTION 10-37, CODE OF ORDINANCES); REPEALING ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT HEREWITH; PROVIDING A REPEALER CLAUSE; AND PROVIDING AN EFFECTIVE DATE CLAUSE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BURLESON, TEXAS:

SECTION 1

The monthly charge for gathering and removal of all solid waste as defined in Section 82-81 of the Code of Ordinances of the City of Burleson, Texas for residential and non-residential, within the corporate limits of the City of Burleson shall hereafter be as follows:

ARTICLE I

(1) Residential: Each dwelling unit in any residential building, house, or Structure - \$18.75

(2) Non-Residential:

CLASS I	\$19.43	2 / WEEK
CLASS II	\$46.89	2 / WEEK
	92.41	4 / WEEK
CLASS III	\$92.41	2 / WEEK
	181.65	4 / WEEK
CLASS IV	\$136.76	2 / WEEK
	271.64	4 / WEEK

ARTICLE II

Fuel Cost Recovery Fee

In addition to the monthly charge in Section I, Article I above, each residential and non-residential account shall also be charged a monthly fuel cost recovery fee.

The monthly fuel cost recovery fee will be determined by calculating the average cost per gallon of fuel purchased by the City for solid waste operations for the previous three full months ("Avg. 3 mo. Cost") multiplied by the average gallons consumed by Solid Waste Collection vehicles during the same three month period ("Avg. 3 mo. Consumption"), then divided by the number of active residential and non-residential accounts ("Customers").

Monthly Fuel Cost Recovery Fee = (Avg. 3 mo. Cost) x (Avg. 3 mo. Consumption) / Customers

The monthly fuel cost recovery fee will be determined in September of each year (for the fiscal year beginning October 1st) and, shall be adjusted administratively during the year on no more than a quarterly basis (Jan. 1st, April 1st, July 1st -collectively the "quarterly adjustment dates"). The calculation for the fuel cost recovery fee shall be based on the three full months immediately preceding the quarterly adjustment date.

SECTION II

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this ordinance are severable, and if any phrase, clause, sentence, paragraph, or section of this ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this ordinance, since the same would have been enacted by the City Council without the incorporation in this ordinance of any such unconstitutional phrase, clause, sentence, paragraph, or section.

SECTION III

This ordinance shall be cumulative of all provisions of ordinances and of the Code of Ordinances of the City of Burleson, Texas, as amended, except where the provisions of this ordinance are in direct conflict with the provisions of such ordinances and such Code, in which event the conflicting provisions of such ordinances and such Code are hereby repealed.

This ordinance shall be in full force and effect _____, 200__, and after its passage and publication as provided by law.

PASSED AND APPROVED this _____ day of _____, 200__.

MAYOR

ATTEST:

City Secretary

First reading: _____