

Memorandum

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

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

Date: April 20, 2009

Subject: Ordinance C-637-07(A0409), establishing rates to be charged for all residential and non-residential customers for solid waste and trash collection and disposal. (Final Reading)

Council Action Requested:

Approve Ordinance C-637-07 (A0409), establishing rates to be charged for the collection and disposal of residential and non-residential solid waste and trash using a private service provider. (Final Reading)

Background Information:

First reading of this ordinance was passed by a 7-0 vote of the City Council on April 6, 2009.

In December 2008, staff issued a Request for Proposals (RFP) to private vendors regarding collection of solid waste within the city limits. The vendors were asked to submit proposals regarding solid waste collection considering three options. Option No. 1 would include collection and disposal of commercial and industrial solid waste only. Option No. 2 would include collection and disposal of residential and non residential solid waste currently collected by City of Burleson forces only. Option No. 3 would include collection and disposal of commercial and residential solid waste. Staff received five (5) proposals which were evaluated and presented to council for direction. Council directed staff to move forward with negotiations with I.E.S.I. TX Corporation regarding collections and disposal of solid waste for residential and non-residential customers currently served by City of Burleson forces (Option No. 2). The contract for this service is being presented to Council and upon approval; the rates associated with the contract must be approved by Council. Please see the attached document for the rates associated with this new contract.

The contract includes a Base Rate of \$12.08 per month, which includes collection and disposal of all solid waste and bulky items and collection of all brush and yard waste for residential units. Additionally, the contract includes a rate of \$1.91 per cubic yard for processing or mulching brush. This equates to \$0.55 per month per residential customer based upon past brush volumes. When fees for Recycling Collection (\$2.19), Administration (\$1.00), which accounts for salary and benefits for the Solid Waste Manager (\$0.64), part time employees at the Recycling/Compost Center (\$0.12), a 2% billing fee (\$0.24), and Franchise Fee (\$0.60), which accounts for space rental and use of the city's streets, are added, the total rate billed to the residents prior to taxes will be \$16.42 per month. Note the franchise fee is included in today's rate also. This is a 23% reduction when compared to the projected 2010 rate of \$21.38 that includes costs for a needed transfer station if collections are kept in house. This \$4.96 per month savings for each residential customer results in an annual savings of almost \$740,000 citywide.

The non-residential rate structure is simplified from four classes based upon types of businesses to two rates, Minor and Major. Those rates are based upon maximum garbage volume that will be collected each week. Minor collection will have a maximum volume of 10 bags per collection or 1-96 Gallon cart. Major collection will have a maximum volume of 20 bags per collection or 2-96 Gallon carts. The carts will be an additional option for the non-residential customers. An Administration Fee and Franchise Fee were also added to the Non-residential rate. The Administration Fee for non-residential customers is \$0.88 instead of \$1.00 because it does not include a charge for the part time employees at the Recycling/Compost Center as this service is not available to non-residential customers. Fees for recycling and brush processing are omitted for the same reason.

In addition to the rate changes, the proposed ordinance eliminates the Fuel Cost Recovery Fee. The Solid Waste Collection contract is structured such that the rate will be adjusted no more than once annually based upon the annual percent change in the Consumer Price Index (CPI) and a Fuel Index as determined by reference to the Energy Information Administration of the US Department of Energy. The percent change in the CPI will make up 91% of the adjustment while the percent change in the Fuel Index will

make up 9%. The first adjustment will take place in October of 2010 and must be approved by City Council.

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(A0409)

Staff Contact:

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ORDINANCE C-637-07 (A0409)

AN ORDINANCE ESTABLISHING RATES TO BE CHARGED FOR THE COLLECTION AND DISPOSAL OF RESIDENTIAL AND NON-RESIDENTIAL SOLID WASTE, RECYCLABLES AND TRASH WITHIN THE CITY OF BURLESON (AS AUTHORIZED IN SECTION 82-92, 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:

- (1) Residential Unit exclusive of sales tax and applicable state fees:

Base Rate	\$12.08	2X/Week
Recycling	\$ 2.19	
Administration	\$ 1.00	
Brush Processing	\$ 0.55	
Franchise Fee	\$ 0.60	
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Total	\$16.42	

- (2) Non-Residential Unit exclusive of sales tax and applicable state fees:

Minor Collection (10 bags or 1- 96 gallon container)		
Base Rate	\$19.00	2X/Week
Administration	\$ 0.88	
Franchise Fee	\$ 0.60	
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Total	\$20.48	

Major Collection (20 bags or 2- 96 gallon containers)		
Base Rate	\$28.00	2X/Week
Administration	\$ 0.88	
Franchise Fee	\$ 0.60	
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Total	\$29.48	

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 June 1, 2009, and after its passage and publication as provided by law.

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

MAYOR

ATTEST:

City Secretary

First reading: _____