

Memorandum

City of Lawrence

Public Works Department

TO: Charles Soules, Public Works Director
FROM: Tammy Bennett, Assistant Public Works Director
CC: Kathy Richardson, Solid Waste Manager
DATE: June 24, 2014
RE: Solid Waste Rate Ordinance for 2015

Please place the following item on the July 1, 2014 City Commission consent agenda:

Adopt on first reading, Ordinance No. 9004, establishing residential solid waste service rates for 2015.

Background

During the annual budget process, the Solid Waste Division reviews the rates for services for the fund. No rate changes for our traditional solid waste services have been presented since July 2011.

Residential services: There is a fee to fund residential curbside recycling services on single-family and multi-family facilities that will go into effect this fall. Each residential bill will increase by \$2.81 to fund curbside recycling. Approval for the residential rate increase occurred when curbside recycling was approved for implementation.

Commercial services: Commercial rates have also not been adjusted since 2011. Operating costs have continued to increase, including personnel costs (labor rates, retirement contributions, and health insurance), landfill fees (increase 3.5% per year), and fuel / equipment costs. Landfill rates were \$24.50 per ton in 2011 and will be \$27.94 in 2015. Dumpster rates are fixed by size of container and number of collection days. Staff recommends a rate increase for 2015 of 2 percent for commercial customers that would offset some of the operational costs. The minimum commercial rate would increase from \$21.71 to \$22.14. Other container rental and pick-up fees would be adjusted accordingly.

Budget submittal: The solid waste budget submittal includes the proposed two (2) percent rate increase for commercial customers only. The total revenue projected from this increase is \$76,317. The rate increase is required to make the budget balance between revenue and expenditures for the year, excluding contingencies.

Fund 502: Solid Waste Division		
Projected revenues :	12,151,499	includes 2% increase
Requested expenditures:	12,501,101	includes contingency
Revenue - expenditures:	<u>(349,602)</u>	
Remove contingency:	<u>360,000</u>	
Projected revenues - expenditures:	10,398	
Revenue from commercial rate change:	76,317	
Shortage if rates not changed:	(65,919)	

Historically, we have tried to make small, consistent adjustments in our rates to minimize impact on customers.

Below is the 2014 survey of rates for services in area communities.

Action

Adopt on first reading, Ordinance No. 9004, establishing residential solid waste service rates for 2015.

2014 Comparison of Residential Solid Waste Rates and Services

Information current as of June 2014

City	Once a Week Trash Collection	Separate Yard Waste Collection	Curbside Recycling Collection		Tire Collection	Bulk Item Collection	Appliance Collection	Additional Information
Lawrence	\$16.94 w/ 95-gal cart \$14.94 w/ 65-gal cart \$13.44 w/ 35-gal cart (each add'l 95-gal cart is \$4.00/month, 65-gal cart is \$3.00/month, 35-gal cart is \$2.00/month)	Yes. Included in SW rate.	No. (Will implement in Oct. 2014. New SW rates: \$19.75 w/ 95-gal cart, \$17.75 w/ 65-gal cart, \$16.25 w/ 35-gal cart.)		Yes. Included in SW rate. Limit 5 tires per year.	Yes. Included in SW rate (some fees may apply).	Yes. Included in SW rate.	Curbside recycling service is currently subscription-based offered by private haulers (\$5-\$20/month).
Columbia	\$15.42	No.	Yes.	Included in SW rate.	No.	Yes. Included in SW rate.	Yes. \$15/item.	
Emporia	\$14.84 (each add'l cart is \$14.84/month)	No.	No. (Will implement in Oct. 2014. There will be no SW rate increase.)		No.	No.	No.	Recyclables, yard waste, tires, bulk items and appliances may be dropped off at the Transfer Station for a fee.
Leavenworth	\$15.40	No.	No.	No.	Yes. Included in SW rate.	Yes. Included in SW rate.	Yes. Included in SW rate.	Recyclable materials may be dropped off at the Recycling Center.
Newton	\$21.51 (each add'l cart is \$13.50/month)	No.	Yes. City-wide.	Included in SW rate.	Yes. Included in SW rate.	Yes. Included in SW rate.	Yes. Included in SW rate.	
Olathe	\$19.35 (each add'l cart is \$5.00/month)	Yes. Included in SW rate.	Yes. City-wide.	Included in SW rate.	Yes. \$5.00/tire.	Yes. \$20.00 per 15 minutes of loading time.	Yes. \$30.00/item.	
Salina (service 85% of residential customers)	\$13.40 (each add'l cart is \$13.40/month)	Yes. Included in SW rate.	Subscription-based.	\$10 start-up fee, \$5.15/month.	No.	Yes. \$22.00 and up for pickup.	No.	Tires and scrap metal may be dropped off at the Landfill for a fee.
Shawnee County (service 67% of residential customers)	\$19.26 (city) and \$20.50 (county) (each add'l cart is \$3.00/month)	No.	Yes. For all their customers.	Included in SW rate.	No.	Yes. Included in SW rate. Only 1 non-metal item per week.	Yes. \$45.00 and up for pickup.	
Manhattan * (Private Haulers)	\$20.00 and up	Some haulers.	Some haulers.	Varies/month.	\$10.00- \$25.00/tire	\$10.00- \$50.00/item	\$40.00/item	* In these communities there are 8 to 20 private haulers; could not get specific information for all haulers.
Overland Park * (Private Haulers)	\$15.00 and up	Yes. Included in SW rate.	Yes.	Included in SW rate.	\$5.00- \$20.00/tire	\$20.00- \$30.00/item	\$20.00- \$30.00/item	
Wichita * (Private Haulers)	\$20.00 and up	Some haulers.	Yes.	Varies/month.	\$5.00- \$10.00/tire	\$25.00 and up/item	\$25.00 and up/item	