



Legislation Text

File #: 17-0429, **Version:** 1

DATE: May 5, 2017

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator

SUBJECT:

Consideration of Ordinance 2017-21, an Ordinance to Amend Appendix A, Chapter 17, of the Municipal Code regarding Refuse and Trash Disposal Rates; (05/11/17 Finance 3-0, 05/23/17 BOMA 1st Reading 8-0; 6/13/17 BOMA 2nd Reading 8-0) THIRD AND FINAL READING

Purpose

The purpose of this memo is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning residential refuse and trash disposal rates.

Background

The FY18 budget for the City's Sanitation and Environmental Services Fund is \$8.5 million, a decrease of 10.7% compared to the FY17 budget. This budget decrease reflects a reduction in the acceptance of construction and demolition waste at the City's transfer station.

Due to increased overall volume, the City has needed to prioritize the acceptance of residential refuse and non-construction-related waste. A corresponding reduction in expenditures for disposal services is included in the proposed budget. A rate increase from \$16.50 per month to \$17.50 per month is proposed within the budget for residential services. This increase, which will generate approximately \$330,000 of additional revenue, is the first change in the residential rate since 2014. Commercial rates were adjusted last year (FY17).

While the City has dramatically decreased the amount of general fund subsidy (down from \$4.47 million ten years ago), transfers ranging from \$300,000 to \$750,000 per year have been needed in recent years to meet operating and fund balance requirements. A significant focus this year will be placed on developing a long term, multi-year rate plan. The goal will be to produce a multi-year plan similar to what is in place within the Water/Sewer utilities. In addition, the City will continue to examine the ability of the SES team to meet service needs driven by growth.

Financial Impact

The residential rate will increase by \$1.00 per customer per month, or \$12.00 annually. The Sanitation and Environmental Services Fund should see approximately \$330,000 more revenue.

Recommendation

Staff recommends adoption of the ordinance.