



Legislation Text

File #: 18-0493, **Version:** 1

DATE: May 4, 2018

TO: Board of Mayor and Aldermen
Budget & Finance Committee

FROM: Eric Stuckey, City Administrator
Kristine Tallent, Assistant City Administrator for Finance and Administration
Michael Walters Young, Budget & Strategic Innovation Manager

SUBJECT:

Consideration of Ordinance 2018-12, an Ordinance to Amend Appendix A, Chapter 17, of the Municipal Code regarding Refuse and Trash Disposal Rates (05/10/18 Finance 4-0, 05/22/18 BOMA 1st Reading 8-0, 06/12/18 2nd Reading 7-0) 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 FY19 budget for the City's Sanitation and Environmental Services Fund is \$9.2 million, an increase of 7.5% compared to the FY18 budget. This budget increase is a result of the need to begin necessary fleet replacement and keep up with growth in system and the City's population continues to grow.

A rate increase from \$17.50 per month to \$19.00 per month is proposed within the budget for residential services. This increase, which will generate approximately \$470,000 of additional revenue, is the second change in the residential rate since 2014.

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. No tax levy subsidy is planned in the FY 2019 budget.

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 to continue to examine the ability of the SES team to meet service needs driven by growth.

Financial Impact

The residential rate will increase by \$1.50 per customer per month, or \$18.00 annually. The Sanitation and

Environmental Services Fund should see approximately \$470,000 more revenue.

Recommendation

Staff recommends approval of the ordinance.