

## **SULTAN CITY COUNCIL AGENDA ITEM COVER SHEET**

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**ITEM NO:** A-3  
**DATE:** March 25, 2010  
**SUBJECT:** First Reading Ordinance No. 1074-10  
**CONTACT PERSON:** Deborah Knight, City Administrator

**ISSUE:**

The issue before the city council is to have First Reading of Ordinance No. 1074-10 (Attachment A) adopting new garbage rates for commercial and residential customers based on the garbage rate study performed by FSC Group and council policy decisions.

**STAFF RECOMMENDATION:**

Have First Reading of Ordinance No. 1074-10 adopting garbage rates; providing for severability; and establishing an effective date.

City staff recommend having separate first and second readings of the ordinance to provide sufficient opportunity for public comment on the proposed rate changes.

**SUMMARY:**

The city council discussed the facts and findings from the FCS Group garbage rate study on January 28, 2010; February 25, 2010; and March 11, 2010. Council made the following policy decisions in order to meet the needs of the garbage utility and reduce impacts on rate payers:

1. Spread the 9.0% overall rate increase over 2-years (2010-2012).
2. Implement the rate change on July 1, 2010.
3. Reduce the operating reserve from 60 days to 45 days.
4. Save \$550,000 from operating revenues (rates) to replace the garbage truck in 2015 rather than borrow money and pay interest on the debt.
5. Charge each customer class the true cost of service. Do not subsidize any particular rate "class" by overcharging for extra garbage.

Proposed Rates

Rate Class	Existing Rates	July 2010	July 2011	July 2012	July 2013	July 2014	July 2015
R1 - Monthly 32-gallon	\$ 6.66	\$ 8.73	\$10.10	\$10.50	\$10.82	\$ 11.14	\$ 1.47
R2 - Semimonthly 32-gallon	10.43	12.37	13.21	13.73	14.15	14.57	15.01
R4 - Weekly 32-gallon	17.95	20.08	20.46	21.28	21.92	22.57	23.25
R8 - Weekly - 2-32-gallon	40.54	33.93	35.29	36.35	37.44	38.56	39.39
CW - Weekly 32-gallon	17.95	20.16	20.46	21.28	21.92	22.57	23.25
C12 - Semimonthly 1-yard	33.30	42.59	48.35	50.28	51.79	53.34	54.94
C14 - Weekly 1-yard	66.60	84.20	94.72	98.51	101.47	104.51	107.65
C18 - Semiweekly 1-yard	131.76	163.31	180.85	188.08	193.73	199.54	205.53
C22 - Semimonthly 2-yard	66.60	72.72	73.20	75.63	77.90	80.23	82.64
C24 - Weekly 2-yard	131.76	146.65	147.53	153.44	158.04	162.78	167.66
C28 - Semiweekly 2-yard	264.96	286.48	289.81	297.93	306.87	316.08	325.56
C32 - Semimonthly 3-yard	99.90	97.09	100.98	103.81	104.01	107.13	110.34
C34 - Weekly 3-yard	198.36	200.35	208.36	209.90	214.61	221.05	227.68
C38 - Semiweekly 3-yard	398.17	392.10	407.78	416.31	420.02	432.62	445.60
Extra Garbage	10.14	11.46	11.70	12.17	12.54	12.91	13.30

Extra Garbage

Councilmember Blair requested an explanation for the extra garbage charge. Extra garbage has the same cost-of-service as a single 32-gallon can without the credit for the recycling charge:

**Extra Garbage**

Administrative overhead	\$8.59
Collection cost	\$1.18
Disposal cost	\$1.93
Recycling credit	\$0
<b>Total</b>	<b>\$11.70</b>

**Single 32-gallon Can**

Administrative overhead	\$8.59
Collection cost	\$1.18
Disposal cost	\$1.93
Recycling Credit	<\$1.61>
<b>Total</b>	<b>\$10.10</b>

Staff Recommendation

The proposed rate table above is slightly different than the model provided by FCS Group in Attachment B. The table on Attachment B-5 has rates for several classes (Weekly 2-32 gallon; Semi-monthly 2-yard; Semi-weekly 2-yard; and all 3-yard accounts) initially increasing in the first year and then decreasing in the second year.

Although this approach achieves the council's short-term goals, city staff are concerned this could confuse some customers. Staff recommend simply decreasing the costs for these accounts. Under the staff proposal it will take 3-years (2012-2013) to achieve the full 45-day operating reserve.

## **DISCUSSION:**

### What is a Garbage Utility?

By state law, the city's garbage utility (overhead, collection and disposal) must pay for itself. This means the city's other revenue funds such as the general fund (property taxes) cannot be used to underwrite the garbage fund and the garbage fund revenues cannot be used to supplement the general fund to cover general government expenses.

- The city's garbage utility was formed in 1964
- The city provides residential and commercial solid waste collection to approximately 1,401 residential and 82 commercial accounts.
- The city disposes ("tips") solid waste tonnage at local County drop box at a 2010 budgeted cost of \$186K. (~1,800 tons tipped in 2009 = 1.2 tons/account)
- The city contracts with Allied Waste, Inc. for residential recycling collection at a 2010 budgeted cost of \$135K.
- Allied Waste, Inc. independently provides commercial recycling collection, as well as yard waste collection.
- Outsourcing garbage collection not effective due to limited staff resources in the public works department

### Why is a Rate Change Needed Now?

The city hired the financial consulting firm, FSC Group to evaluate the city's garbage utility to ensure adequate revenues to meet expenses. The study found that in order to effectively manage the utility and ensure adequate revenues to meet future needs, the council should consider the following actions:

1. Increase revenues by 9% in 2010, 4% in 2011, and 3% in 2012-2015.
2. Adopt a cost-of-service rate structure based on actual costs for administration, collection and disposal. Note – this will lower garbage rates for some customers.
3. Establish a 60-day operating reserve to ensure the utility's operating expenses and emergency needs can be met.
4. Set aside \$550,000 from rate revenues to replace the city's garbage in 2015 rather than borrow money to replace the garbage truck in 2015.

### What Happens if the Rate Change is Delayed?

The council discussed delaying the rate change until 2011. The end result was higher rates for most customers. If the rate change was delayed until 2011, a customer with weekly pick-up would pay \$20.46/month instead of the proposed \$20.08.

The city council also expressed concern about replacing the garbage truck on schedule in 2015. A delay would like result in increased repair and maintenance issues as the garbage truck exceeds its useful life.

### Did the Council Consider Reducing Expenses?

The city council made a number of decisions to reduce expenses in the garbage utility. The garbage truck currently operates with two employees – three days a week. In the past, three employees were assigned to collect garbage.

The council reduced the proposed 60-day operating reserve to 45-days. The council also decided to pay for the garbage truck with cash from operating revenues to avoid debt service payments.

This council and past administrations have studied outsourcing garbage collection to a private company such as Waste Management or Allied Waste. Financial analysis have found this would increase costs to the street fund and park maintenance since the two garbage employees provide services to these divisions two days per week.

### How did the City Notify Customers?

The city has done it's best to get the word out to customers regarding the proposed rate changes. The following is a list of outreach efforts

- January 28, 2009. FCS Group presented the facts and findings from the garbage rate study and policy questions for council consideration.
- February 4, 2010. Proposed rate changes included on February utility bill (Attachment C-1).
- February 22, 2010. Press release issued to news media, public notices list-serve members and city e-mail distribution lists regarding proposed rate changes (Attachment C-2).
- February 25, 2010. Council discussed the policy questions affecting rates and provided direction to staff.
- March 4, 2010. Proposed rate changes included on March utility bill (Attachment C-3).
- March 11, 2010. Council reviewed two rate alternatives. Under the preferred alternative, rates for a residential weekly collection are reduced from \$20.46 to \$20.08.

- March 15, 2010. Press release issued to news media, public notices list-serve members and city e-mail distribution lists regarding proposed rate changes (Attachment C-4).
- March 16, 2010. Flyer provided at front desk at city hall, library, post office and posted on bulletin board at Vinachio's (Attachment C-5).
- March 25, 2010. First Reading Ordinance No. 1045-10 adopting new garbage rates.

State law (RCW 35.21.157) requires notification of rate increases for "solid waste collection" - either mailed to each affected ratepayer or published once a week for two consecutive weeks in a newspaper of general circulation in the collection area at least forty-five days prior to the proposed effective date of the rate increase.

City staff will provide legal notice in the Everett Herald in April for the required 45 day notification period. The effective date of the Ordinance is July 1, 2010.

How do Sultan rates compare to other cities?

The city's proposed garbage rates are similar to surrounding cities, with the exception of Monroe. Monroe's contract with Waste Management has expired. Rates are expected to increase when the contract is renewed.

Total Monthly Rate						
Container Size	2010 Sultan Current Rate	Proposed Sultan 2010	Marysville 2010	Stanwood (via WM)	Monroe (via WM)	Granite Falls (via WM)
R1 - Monthly 32-gallon	\$ 6.66	\$ 8.73	\$ 10.46	\$ 11.50	\$ 5.10	\$ 11.59
R2 - Semimonthly 32-gallon	10.43	12.37		17.10		
R4 - Weekly 32-gallon	17.95	20.08	21.51	21.10	12.25	18.07
R8 - Weekly - 2-32-gallon	40.54	39.39	35.88	28.70	18.74	23.88
Extra Garbage	10.14	11.46	5.82	4.10	2.52	4.14

What can I do to lower my bill?

The city provides a number of residential and commercial collection options – weekly, semimonthly, and monthly. Customers can recycle more to reduce their garbage and switch to less frequent service. Allied Waste provides recycling for yard debris and food waste in addition to traditional recyclables such as cans, bottles, and paper.

## **BACKGROUND:**

The city council has been reviewing revenues and expenditures in each of the enterprise funds (water, sewer, garbage, stormwater and cemetery) since 2005. Rate studies are part of the city's goal to improve the city's financial health. The council approved a contract with FCS Group in September 2009 to ensure adequate financial resources to fund operations, maintenance and equipment replacement in the City's garbage utility.

The garbage rate study looks at "cost of service" - how much does it cost the city to collect garbage for each customer type.

The study examined the expenditures and revenues in the city's garbage utility - enterprise fund to determine if the current rates are adequate to meet the fund's needs over the next five years.

By state law, the city's garbage utility must pay for itself. This means the city's other revenue funds such as the general fund (property taxes) cannot be used to underwrite the garbage fund and the garbage fund revenues cannot be used to supplement the general fund to cover general government expenses.

## **FISCAL IMPACT:**

This is a very difficult time to consider rate study recommendations. The revenue and expenditure assumptions drive the overall revenue requirements which translate to rates.

The city is required to operate the garbage utility as a separate business or enterprise fund. During the 2008 state audit, the city was asked to address declining fund balances in its enterprise funds. The city responded by noting the council was implementing rate increases to ensure adequate revenues to cover expenses. The garbage rate study continues the effort to meet state auditor concerns.

The garbage utility is fiscally sound because the council has taken the necessary steps in the past to ensure rates cover current operating expenses and future needs. Ignoring future needs to replace equipment means future councils and garbage utility customers will bear the weight of even higher increases.

## **ALTERNATIVES:**

1. Have First Reading of Ordinance No. 1074-10 and move to Second Reading on April 8, 2010.

This alternative implies the city council understands the financial analysis provided in the rate study and is prepared to take action. Holding separate First and Second Readings of the adopting ordinance provides an opportunity for additional public input prior to the final adoption.

2. Have First and Second Reading and pass Ordinance No. 1074-10. This alternative implies the city council has received sufficient public input regarding the proposed rates and is ready to take action to adopt the ordinance.
3. Do not have First Reading of Ordinance NO. 1074-10. Provide direction to staff to return at the April 8, 2010 council meeting with additional information.

This alternative suggests the council has further questions regarding the rate study and needs additional time to consider the financial analysis before taking action. The council may have concerns about the proposed recommendations and want to postpone further action on the rate study findings until a future date.

#### **RECOMMENDED ACTION:**

Have First Reading of Ordinance No. 1074-10 adopting garbage rates; providing for severability; and establishing an effective date.

City staff recommend having separate First and Second readings of the ordinance to provide sufficient opportunity for public comment on the proposed rate changes.

#### **ATTACHMENTS**

- A- Ordinance No. 1074-10
- B- Garbage Cost of Service PowerPoint March 11, 2010
- C- Public Outreach

**CITY OF SULTAN  
WASHINGTON**

**ORDINANCE NO. 1074-10**

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**AN ORDINANCE OF THE CITY OF SULTAN,  
WASHINGTON, ADOPTING GARBAGE RATES;  
PROVIDING FOR SEVERABILITY; AND ESTABLISHING  
AN EFFECTIVE DATE.**

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WHEREAS, the garbage utility is an enterprise fund and all enterprise funds are required to collect sufficient revenues to cover expenses; and

WHEREAS, the City Council adopted interim garbage rates by Ordinance No. 1014-09 in 2008 pending the completion of a Garbage Rate Study; and

WHEREAS, the City Council authorized and budgeted a Garbage Rate Study in 2009; and

WHEREAS, increasing garbage rates and charges is necessary to meet the Council's objectives in the utility including adopting a cost-of-service model; establishing a 45-day operating reserve; and saving sufficient revenues from rates to replace the current garbage truck in 2015 without debt financing; and

WHEREAS, the City of Sultan discussed proposed garbage rate changes at the City Council meetings on January 28, 2010; February 25, 2010; March 11, 2010; and March 25, 2010; and

WHEREAS, the city notified customers of the proposed rate changes in the February, 2010 and March, 2010 utility bills and issued news releases to the news media and city electronic list-serve members; and

WHEREAS, the city received public comment on the proposed interim increase to rates and charges; and

WHEREAS, RCW 35.21.157 requires notification of rate increases for "solid waste collection" either mailed to each affected ratepayer or published once a week for two consecutive weeks in a newspaper of general circulation in the collection area at least forty-five days prior to the proposed effective date of the rate increase;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SULTAN, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Establish rates and charges for garbage service as follows:

**1. Garbage Rates and Charges for Single-Family, Multi-Family and Commercial Service**

Rate Class	Existing Rates	July 2010	July 2011	July 2012	July 2013	July 2014	July 2015
R1 - Monthly 32-gallon	\$ 6.66	\$ 8.73	\$10.10	\$10.50	\$10.82	\$ 11.14	\$ 1.47
R2 - Semimonthly 32-gallon	10.43	12.37	13.21	13.73	14.15	14.57	15.01
R4 - Weekly 32-gallon	17.95	20.08	20.46	21.28	21.92	22.57	23.25
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Extra Garbage	10.14	11.46	11.70	12.17	12.54	12.91	13.30

Garbage rates for mobile home parks will be in accordance with separate agreements with the City of Sultan.

**2. CALL BACK - due to garbage not placed out in time or obstructed**

Can pickup charge.....	\$21.00
Dumpster pickup charge (Equal to 3 extra can charge).....	\$36.00

**3. Temporary Dumpsters (Maximum use is 15 days as defined in SMC 13.16.055)**

Damage Deposit (Required to be paid before delivery)	
1 yard dumpster.....	\$105.00
2 yard dumpster.....	\$150.00
3 yard dumpster.....	\$180.00
Delivery/Pickup (each service).....	\$105.00
Pickup of 1 yard dumpster (each time).....	\$40.50
Pickup of 2 yard dumpster (each time).....	\$81.00
Pickup of 3 yard dumpster (each time).....	\$121.50

4. **Dumpster Leases**

All multi-family units within the City of Sultan will be required to have a dumpster(s) sized to meet the requirement of SMC 13.16.050(A). No permanent dumpsters are allowed at single-family or duplex units.

Dumpsters shall be owned by the City and leased to the users. Maintenance and repair shall be the responsibility of the City.

**Deposit:**

1 yard dumpster.....	\$105.00
2 yard dumpster.....	\$150.00
3 yard dumpster.....	\$180.00

**Monthly lease (billed monthly)**

1 yard dumpster.....	\$11.90
2 yard dumpster.....	\$19.50
3 yard dumpster.....	\$54.75
Pick Up/Delivery Fee (each service).....	\$105.00

Section 2. Severability. Should any section, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 3. Effective Date. This Ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force on July 1, 2010.

**ADOPTED** BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE \_\_\_\_\_  
\_\_\_\_\_ DAY OF \_\_\_\_\_, 2009.

CITY OF SULTAN

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Carolyn Eslick, Mayor

ATTEST/AUTHENTICATED:

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Laura Koenig, City Clerk

Approved as to form:

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Margaret J. King, City Attorney

Passed by the City Council:

Date of Publication:

Effective Date:



# City of Sultan

## Garbage Cost of Service Study

Incorporating City Council Direction  
March 11, 2010

# Council Direction

- Adopt a cost of service model
- Implement the rate change in July 2010
- Reduce operating reserve from 60 days to 45 days
- Consider financing a portion of the garbage truck purchase
- Do not charge more than the cost of service for excess garbage
- Remove the B&O tax from the rates and show separately
- Continue to subsidize low-income senior rate

# Overall Revenue Requirement

Revenue Requirements	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>							
Rate Revenues Under Existing Rates	\$ 491,144	\$ 496,055	\$ 501,016	\$ 506,026	\$ 511,086	\$ 516,197	\$ 521,359
Recycling	171,000	172,710	174,437	176,181	177,943	179,723	181,520
Non-Rate Revenues	29,110	27,158	27,512	27,872	28,238	28,611	28,989
<b>Total Revenues</b>	<b>\$ 691,254</b>	<b>\$ 695,923</b>	<b>\$ 702,965</b>	<b>\$ 710,079</b>	<b>\$ 717,268</b>	<b>\$ 724,530</b>	<b>\$ 731,868</b>
<b>Expenses</b>							
Collection Expenses	\$ 106,983	\$ 105,840	\$ 111,592	\$ 117,772	\$ 124,421	\$ 131,579	\$ 139,293
Disposal Expenses	211,300	217,639	224,168	230,893	237,820	244,955	252,303
Administrative Expenses	153,444	160,328	167,647	175,435	183,734	192,585	202,035
Allied Recycling	135,000	140,643	146,522	152,646	159,027	165,674	172,600
Other O&M	30,000	31,039	32,115	33,229	34,382	35,577	36,814
Truck Replacement Cost	49,870	60,510	62,326	64,196	66,121	68,105	70,148
<b>Total Expenses</b>	<b>\$ 686,597</b>	<b>\$ 716,001</b>	<b>\$ 744,371</b>	<b>\$ 774,175</b>	<b>\$ 805,509</b>	<b>\$ 838,480</b>	<b>\$ 873,200</b>
<b>Net Surplus (Deficiency)</b>	<b>\$ 4,657</b>	<b>\$ (20,077)</b>	<b>\$ (41,406)</b>	<b>\$ (64,095)</b>	<b>\$ (88,242)</b>	<b>\$ (113,949)</b>	<b>\$ (141,331)</b>
% of Rate Revenue	-0.95%	4.05%	8.26%	12.67%	17.27%	22.07%	27.11%
<i>Annual Rate Adjustment</i>	<b>9.00%</b>	<b>0.00%</b>	<b>4.00%</b>	<b>3.00%</b>	<b>3.00%</b>	<b>3.00%</b>	<b>3.00%</b>
<i>Cumulative Rate Adjustment</i>	<b>9.00%</b>	<b>9.00%</b>	<b>13.36%</b>	<b>16.76%</b>	<b>20.26%</b>	<b>23.87%</b>	<b>27.59%</b>
Rate Revenues After Rate Increase	\$ 509,562	\$ 540,700	\$ 567,951	\$ 590,840	\$ 614,651	\$ 639,421	\$ 665,190
Additional Taxes from Rate Increase	-	-	-	-	-	-	-
<b>Net Cash Flow After Rate Increase</b>	<b>\$ 23,075</b>	<b>\$ 24,569</b>	<b>\$ 25,532</b>	<b>\$ 20,722</b>	<b>\$ 15,327</b>	<b>\$ 9,280</b>	<b>\$ 2,506</b>

# Comparison Partial vs. Full Implementation

Total Monthly Rate							
Container Size	2010 Sultan Current Rate	2010 COS/Unit Phased Implementiaton	2010 Increase Phased Implementation	2010 % Increase Phased Implementation	2010 Sultan COS/Unit Full Implementation	2010 Increase Full Implementation	2010 Sultan % Increase Full Implementation
R1 - Monthly 32-gallon	\$6.66	\$ 8.73	\$ 2.07	24%	\$ 10.10	\$ 3.44	34%
R2 - Semimonthly 32-gallon	10.43	12.37	1.94	16%	13.21	2.78	21%
R4 - Weekly 32-gallon	17.95	20.08	2.13	11%	20.46	2.51	12%
R8 - Weekly - 2-32-gallon	40.54	39.39	(1.15)	-3%	33.93	(6.61)	-19%
CW - Weekly 32-gallon	17.95	20.16	2.21	11%	20.46	2.51	12%
C12 - Semimonthly 1-yard	33.30	42.59	9.29	22%	48.35	15.05	31%
C14 - Weekly 1-yard	66.60	84.20	17.60	21%	94.72	28.12	30%
C18 - Semiweekly 1-yard	131.76	163.31	31.55	19%	180.85	49.09	27%
C22 - Semimonthly 2-yard	66.60	73.20	6.60	9%	72.72	6.12	8%
C24 - Weekly 2-yard	131.76	146.65	14.89	10%	147.53	15.77	11%
C28 - Semiweekly 2-yard	264.96	289.81	24.85	9%	286.48	21.52	8%
C32 - Semimonthly 3-yard	99.90	103.81	3.91	4%	97.09	(2.81)	-3%
C34 - Weekly 3-yard	198.36	209.90	11.54	5%	200.35	1.99	1%
C38 - Semiweekly 3-yard	398.17	416.31	18.14	4%	392.10	(6.07)	-2%
Extra Garbage	10.14	11.46	1.32	12%	11.70	1.56	13%

# Get to Full Cost of Service by 2011

Total Rate (Phase in COS by 2011)	Existing Rates	2010	2011	2012	2013	2014	2015
R1 - Monthly 32-gallon	\$ 6.66	\$ 8.73	\$ 10.10	\$ 10.50	\$ 10.82	\$ 11.14	\$ 11.47
R2 - Semimonthly 32-gallon	10.43	12.37	13.21	13.73	14.15	14.57	15.01
R4 - Weekly 32-gallon	17.95	20.08	20.46	21.28	21.92	22.57	23.25
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Extra Garbage	10.14	11.46	11.70	12.17	12.54	12.91	13.30

# Immediate Cost of Service Adjustments

Total Rate (Full, Immediate Implementation of COS)	Existing Rates	2010	2011	2012	2013	2014	2015
R1 - Monthly 32-gallon	\$ 6.66	\$ 10.10	\$ 10.10	\$ 10.50	\$ 10.82	\$ 11.14	\$ 11.47
R2 - Semimonthly 32-gallon	10.43	13.21	13.21	13.73	14.15	14.57	15.01
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C14 - Weekly 1-yard	66.60	94.72	94.72	98.51	101.47	104.51	107.65
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C24 - Weekly 2-yard	131.76	147.53	147.53	153.44	158.04	162.78	167.66
C28 - Semiweekly 2-yard	264.96	286.48	286.48	297.93	306.87	316.08	325.56
C32 - Semimonthly 3-yard	99.90	97.09	97.09	100.98	104.01	107.13	110.34
C34 - Weekly 3-yard	198.36	200.35	200.35	208.36	214.61	221.05	227.68
C38 - Semiweekly 3-yard	398.17	392.10	392.10	407.78	420.02	432.62	445.60
Extra Garbage	10.14	11.70	11.70	12.17	12.54	12.91	13.30

# Comparison with Surrounding Cities

Total Monthly Rate								
Container Size	2010 Sultan Current Rate	2010 Sultan COS/Unit Full Implementation	2010 COS/Unit Phased Implementiaton	City of Marysville 2010	City of Stanwood (via WM)	City of Monroe (via WM)	City of Granite Falls (via WM)	City of Lake Stevens (via AW)
R1 - Monthly 32-gallon	\$ 6.66	\$ 10.10	\$ 8.73	\$ 10.46	\$ 11.50	\$ 5.10	\$ 11.59	
R2 - Semimonthly 32-gallon	10.43	13.21	12.37		17.10			
R4 - Weekly 32-gallon	17.95	20.46	20.08	21.51	21.10	12.25	18.07	11.06
R8 - Weekly - 2-32-gallon	40.54	33.93	39.39	35.88	28.70	18.74	23.88	28.50
CW - Weekly 32-gallon	17.95	20.46	20.16	21.51	21.10	12.25	18.07	
C12 - Semimonthly 1-yard	33.30	48.35	42.59					
C14 - Weekly 1-yard	66.60	94.72	84.20	96.83				
C18 - Semiweekly 1-yard	131.76	180.85	163.31	193.67				
C22 - Semimonthly 2-yard	66.60	72.72	73.20					
C24 - Weekly 2-yard	131.76	147.53	146.65	166.93				
C28 - Semiweekly 2-yard	264.96	286.48	289.81	333.85				
C32 - Semimonthly 3-yard	99.90	97.09	103.81					
C34 - Weekly 3-yard	198.36	200.35	209.90	228.59				
C38 - Semiweekly 3-yard	398.17	392.10	416.31	457.19				
Extra Garbage	10.14	11.70	11.46	5.82	4.10	2.52	4.14	5.48

**Attachment C**

**UTILITY BILLING STATEMENT ENCLOSED**

**Calendar – All Meetings in Community Center (unless otherwise noted)**

**Tuesday, February 9, 2010**

6:30 PM – Comp. Plan Work Group Session

- Should the city preserve its river banks in open space or encourage development? Share your thoughts

**Thursday, February 11, 2010**

6:30PM – Meet your new police officers

7:00 PM – City Council Meeting

- Controlling peddlers and solicitors
- Local economic stimulus for developers and builders- extend permits/delay fees.

**Friday, February 12, 2010**

Community Emergency Response Team Training 1:30PM-4:00PM or 6:00PM-9:00PM

**Monday, February 15, 2010**

CITY HALL CLOSED – PRESIDENTS’ DAY

**Tuesday, February 16, 2010**

7:00 PM – Planning Board Meeting

- Change how commercial, industrial and residential development will happen
- Disallow accessory dwelling units such as garage apts. and mother-in-law units
- Remove planned unit developments as alternative for residential development

**Tuesday, February 23, 2010**

6:30 PM – Comprehensive Plan Open House

Come find out what Sultan will look like in 20-years. Share your thoughts and hear your neighbors’ views.

**Wednesday, February 24, 2010**

7:00 PM – Block Watch Meeting

**Thursday, February 25, 2010**

7:00 PM – City Council Meeting

- Consider proposal to increase garbage rates

**Coffee with the Mayor**

Join Mayor Carolyn Eslick on Friday mornings at 8:00 AM for a cup of coffee at the Dutch Cup Restaurant located at 819 Main Street.

**Garbage Service Information**

Garbage normally picked up on Monday, February 15<sup>th</sup> will be picked up on Tuesday, February 16<sup>th</sup> due to holiday

NOTE: You may have received a notice from Allied Waste Stating that your Garbage Service has been changed to Mondays - IT IS ONLY RECYCLE AND YARD WASTE PICK UP THAT IS EFFECTED – NOT YOUR CITY OF SULTAN GARBAGE PICK UP. For further information, please contact City Hall at (360) 793-2231.

Date: February 22, 2010

### **For Immediate Release**

## **SULTAN COUNCIL CONSIDERS GARBAGE RATE INCREASE**

The Sultan city council will consider increasing garbage rates at the February 25, 2010 council meeting. The council meeting begins at 7:00pm in the Council Chambers located at 319 Main Street in Sultan. There is an opportunity for public comment at the beginning of the council meeting. Discussion of the rate changes will take place after public comment.

The proposed rate increase is 9% in 2011, 4% in 2012, and 3% in 2013-2015. Garbage rates for residents with weekly garbage service could increase as much as \$2.51 from \$17.95 to \$20.46 depending on whether the council chooses an across-the-board increase or a cost-of-service increase. Under the cost-of-service model, some commercial customers could see a 1 to 2 percent decrease in garbage rates.

The proposed rate changes is the result of a rate study completed by FCS Group which evaluated the costs for garbage collection and disposal for residential and commercial customers. "The rate adjustments are necessary to meet projected operational and maintenance service needs in our garbage collection and disposal services," Mayor Carolyn Eslick said. Cost drivers include establishing a 60-day operating reserve to ensure adequate revenues to pay expenses; increasing labor costs; and saving \$550,000 to replace the city's garbage truck in 2015.

The City is obligated by state law to manage garbage collection like a private business. Fees collected for garbage service can only be used for providing garbage services and the fees must cover both maintenance and operation of the utility.

For more information visit the city's website at [www.ci.sultan.wa.us](http://www.ci.sultan.wa.us) and search for "garbage rate study" or contact Public Works Director, Connie Dunn at 360-793-2231.

Date: March 15, 2010

**UTILITY BILLING STATEMENT ENCLOSED**

**Calendar – All Meetings in Community Center (unless otherwise noted)**

**Friday, March 5, 2010**

Community Emergency Response Team Training  
1:00 PM – 4:00 PM or 6:00 PM – 9:00 PM

**Sultan Fire District 5 – 304 Alder, Sultan WA**

- Learn how to respond during emergencies

**Tuesday, March 9, 2010**

6:30PM – Comprehensive Plan Work Groups

- How should the city develop and use its parks, recreation areas and open spaces?

**Thursday, March 11, 2010**

7:00 PM – City Council Meeting

- Presentation on water system and plant
- Garbage Rate Increase – effective July 1
- Extend plat expirations and delaying impact fees to stimulate the housing market

**Friday, March 12, 2010**

Community Emergency Response Team Training  
1:00 PM – 4:00 PM or 6:00 PM – 9:00 PM

- Learn how to respond during emergencies

**Tuesday, March 16, 2010**

7:00 PM – Planning Board Meeting

- Finalize “lot averaging” code for new development to replace SMC 16.10 planned unit development code.
- Finalize land use element goals and policies
- Amend transportation goals/policies
- Extend plat expirations and delay impact fees

**Friday, March 19, 2010**

Community Emergency Response Team Training  
1:00 PM – 4:00 PM or 6:00 PM – 9:00 PM

- Learn how to respond during emergencies

**Wednesday, March 24, 2010**

7:00 PM – Block Watch Meeting

**Thursday, March 25, 2010**

7:00 PM – City Council Meeting

- First Reading Garbage Rate Increase
- Public Works Reorganization
- Discuss water and sewer rates

**Garbage Rate Increase**

On March 11, the city council will discuss increasing garbage rates - 9%effective July 1, 4% in 2011 and 3% in 2012-2015. Public comment can be made at the meeting or provided by e-mail to city clerk, Laura Koenig at [laura.koenig@ci.sultan.wa.us](mailto:laura.koenig@ci.sultan.wa.us)

**Coffee with the Mayor**

Join Mayor Carolyn Eslick Friday mornings at 8:00 AM for coffee at the Dutch Cup Restaurant at 819 Main Street.

Date: March 15, 2010

## **For Immediate Release**

### SULTAN COUNCIL VOTES TO INCREASE GARBAGE RATES

The Sultan city council will vote on March 25, 2010 whether to increase garbage rates on residential and commercial accounts. The council meeting begins at 7:00pm in the Council Chambers located at 319 Main Street in Sultan. There is an opportunity for public comment at the beginning of the council meeting. Approval of proposed rate changes will take place after public comment.

The proposed rate increase would take effect July 1, 2010. Garbage rates for residents with weekly garbage service are proposed to increase \$2.13 from \$17.95 to \$20.46. The council originally discussed a higher rate, but moved to reduce expenditures and implement the new rates in July 2010 to lower the overall impact to garbage customers. Since the city is moving to a "cost-of-service" model, residents with 2-32 gallon cans per week will see a decrease in their garbage bill.

The proposed rate change is the result of a rate study completed by FCS Group which evaluated the costs for garbage collection and disposal for residential and commercial customers. "The rate adjustments are necessary to meet projected operational and maintenance service needs in our garbage collection and disposal services," Mayor Carolyn Eslick said. Cost drivers include establishing a 45-day operating reserve to ensure adequate revenues to pay expenses; increasing labor costs; and saving \$550,000 to replace the city's garbage truck in 2015.

The City is obligated by state law to manage garbage collection like a private business. Fees collected for garbage service can only be used for providing garbage services and the fees must cover both maintenance and operation of the utility.

For more information visit the city's website at [www.ci.sultan.wa.us](http://www.ci.sultan.wa.us) and search for "garbage rate study" or contact Public Works Director, Connie Dunn at 360-793-2231.

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# City of Sultan

## Garbage Rate Increase

### Share Your Thoughts

The Sultan city council will vote on March 25, 2010 whether to increase garbage rates on residential and commercial accounts.

The council meeting begins at 7:00pm in the Council Chambers located at 319 Main Street in Sultan.

There is an opportunity for public comment at the beginning of the council meeting.

Approval of proposed rate changes will take place after public comment.

#### When:

**Thursday, March 25, 2010  
7:00PM**

#### Where:

**Sultan Community Center  
319 Main Street, Sultan**

#### Learn More:

**[www.ci.sultan.wa.us](http://www.ci.sultan.wa.us)**

**search for: garbage rate study**

**Call: 360-793-2231**

**E-mail: [cityhall@ci.sultan.wa.us](mailto:cityhall@ci.sultan.wa.us)**

### Proposed Garbage Rates

The proposed rate increase would take effect July 1, 2010. Garbage rates for residents with weekly garbage service are proposed to increase \$2.13 from \$17.95 to \$20.08.

The council originally discussed a higher rate, but moved to reduce expenditures and implement the new rates in July 2010 to lower the overall impact to garbage customers. Since the city is moving to a "cost-of-service" model, residents with 2-32 gallon cans per week will see a decrease in their garbage bill.

Total Monthly Rate		
Residential Garbage Service	2010 Current Rate	Proposed Rate July 1, 2010
Monthly 32-gallon	\$6.66	\$8.73
Semimonthly 32-gallon	\$10.43	\$12.37
Weekly 32-gallon	\$17.95	\$20.08
Weekly - 2-32-gallon	\$40.54	\$33.39

### Why is an Increase Needed?

- Charge actual costs for overhead, collection and disposal
- Create a 45 day operating fund to pay current expenses
- Save \$550,000 to purchase a new garbage truck in 2015
- Continue to subsidize low-income senior rate

### Rate Comparison with Other Cities

Container Size	Proposed Rate July 2010	Marysville 2010	Stanwood	Granite Falls
Monthly 32-gallon	\$ 8.73	\$ 10.46	\$ 11.50	\$ 11.59
Weekly 32-gallon	20.08	21.51	21.10	18.07
Weekly - 2-32-gallon	33.39	35.88	28.70	23.88