
AGENDA ITEM SUMMARY**ENVIRONMENTAL MANAGEMENT ADVISORY COMMITTEE****ITEM NO:**Meeting April 20, 2021
Date:
Department: Planning

ITEM TITLE: Solid Waste Rate Adjustment, Base Year Review EMAC Public Hearing

DISCUSSION:

The Florence Environmental Management Advisory Committee reviews requests and recommends changes to the Florence City Council on rates for solid waste and recycling services as outlined in [Title 9, Chapter 4 of the Florence City Code](#) (FCC).

Background: A comprehensive review of solid waste hauler operations and financials are performed once every three years, and are termed “base years”. Abbreviated reviews are performed on the two interval years. August 2020 was the end of a base year. A comprehensive analysis of the fiscal year ending August 31, 2020 was performed by Bell Associates and is attached to this report as Attachment 1. Base year reviews require a public hearing before both the EMAC and the City Council. The April 20, 2021 EMAC meeting includes a hearing on proposed rate amendments.

The last base year review was performed for the fiscal year ending August 2017 with amendments to the solid waste rates adopted by City Council under Resolution 8, Series 2018, on May 21, 2018. On May 6, 2019 Council again updated the rate schedule under Resolution 7 Series 2019 to address increases in the Lane County land fill tipping fee and an annual CPI increase. In 2020 no increases to the rates were made as the County and City did not increase any fees due to economic impacts of Covid-19. City Council delayed actions required by their 2019 resolution through Resolutions 9 and 22 in May and August respectively. So, in addition to the base year review this analysis includes follow-up to the 2019 Resolution deliverables.

Items Under Consideration:

Florence City Code Title 9 Chapter 4 Section 5-2-C, the 2019 resolution, and 2019-2021 Work Plan outline six actions to review. They include:

- a. Perform a base year review. Identify if the profit margins for fiscal year ending August 2020 are 10% ...the rates will not increase if the returns fall within the range of 2% above or below 10% and may decrease if they exceed 12%. (Code/Resolution)
 - b. Increase hauler license fees by .5% effective July 1, 2020. (Resolution)
 - c. Review temporary recycling surcharge in March 2020 and adjust if necessary. (Resolution)
 - d. Increase solid waste rates annually on July 1st by 80.6% of the Consumer Price Index category (CPI) “CPI-W U.S. City Average” and review the 19.4% exemption and adjust as necessary (Resolution)
 - e. Review vacancy counts in multiple customer developments July 2019 through February
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2020 to determine if 80% occupancy is still accurate. Adjust Tables B & C of the rate schedule if needed. (Resolution)

- f. Pass through costs associated with increases to the county's disposal tipping fee. (Code)
- g. Curbside Yard Debris Program analysis (work plan)

REPORTING & ANALYSIS: To research and address the above items input was received from the haulers and analyzed by either Bell & Associates or City staff. EMAC held a meeting March 16th to receive a report and the recommendations of Bell and Associates. Below are the results and/or recommendations from the analysis or action.

- a. Profit Margins projection for 2021 (ending August 2021) averaged 8.75% (Table 5 p. 4)- Increase residential rates 3% and roll-off rates by \$5.30 a haul. No changes to commercial rates. (p.5) The proposed rates are included on pages 7 & 8 of Attachment A.
- b. The incremental (and last) license fee increase of .5% should occur on July 1st, making the license fee 5%. Bell and Associates passed the charge through in the rates. (Table 8)
- c. Keep the recycling surcharge. Review again next CPI review cycle.
- d. Increase rates on July 1, 2022 and 2023 by (80.6% of the CPI-W U.S. City Average.)
- e. Both haulers were over 80% occupancy. Based on the % over staff recommends rates are adjusted so that the rate is calculated on the average occupancy for the previous year or 100% rather than 80 or 100% occupancy. Haulers have always used 80%.
- f. Lane County proposes a 2.1% tipping fee increase as of July 2021, which is included on page 3 of the Bell report (Attachment A) and used in proposing the rate increase.
- g. A curbside yard waste analysis was performed (page 6) with a projected increase varying from \$2.33 to \$3.88 per customer per month and not including the all costs for tipping fees. No change proposed at this time. Staff recommends a pilot project be designed and implemented by July 2022.

FISCAL IMPACT:

Bell & Associate's was paid to review the haulers' profit margins & operations and the public hearing was noticed in the Siuslaw News. There are no other direct impacts.

RELEVANCE TO ADOPTED COUNCIL GOALS:

Goal 2, Livability & Quality of Life, Greater Community.

ALTERNATIVES:

- 1. Recommend approval of items a-g.
- 2. Amend any items a-f and direct staff to modify the recommendation accordingly.
- 3. Continue the discussion in order to obtain additional information.

STAFF

- 1. Recommend approval of items a-g

RECOMMENDATION:

AI'S PREPARED BY: Wendy FarleyCampbell, Planning Director

ITEM'S ATTACHED: Attachment 1 – City of Florence Solid Waste Rate Report, February 2021
