



Legislation Text

File #: 22-2535, Version: 1

TO: Mayor and Members of City Council

THRU: Adam Lindsay, Assistant City Manager

**FROM: Daniel Edwards, Assistant Director of Public Services
Sheila Thomas-Ambat, PE, CCM, CFM, Director of Public Services
Kelly Olivera, Director of Budget and Evaluation**

DATE: February 14, 2022

RE: Residential Solid Waste Five Year Funding Model and Fee

COUNCIL DISTRICT(S):
All

Relationship To Strategic Plan:

Goal 5: Financially Sound City Providing Exemplary City Services

Executive Summary:

Council is asked to receive information regarding the Residential Solid Waste Fee.

Background:

With the adoption of the FY 2019 annual operating budget, Council approved an increase to the residential solid waste fee of \$82, from \$108 to \$190 per single-family residential unit. The purpose of the fee increase was to eliminate the need for a General Fund subsidy for solid waste operations, and transition the Solid Waste Fund to full self-sufficiency. As a part of the FY 2021 budget process, Council approved to increase the Solid Waste fee by \$35 to the current amount of \$225 per year. A funding model for a five-year period indicating the amounts needed for fee increases to maintain self-sufficiency, as well as estimated fund balance amounts was prepared by staff.

Staff would like to present proposed fee adjustments to the Residential Solid Waste Fee for the coming five-year period to ensure continued financial stability and successful daily operation of the Solid Waste division. The revised model is consistent with funding models presented in prior fiscal years, and includes fee adjustments every other year beginning with next year at \$245 annually.

Issues/Analysis:

The continued operation of the Solid Waste Fund as a self-supporting enterprise fund requires the review of the Residential Solid Waste Fee.

Budget Impact:

If the Solid Waste Fund becomes insolvent, it will require a subsidy from the General Fund, diverting valuable resources from other primary City services.

Options:

1. Accept the Administrative Report on the Residential Solid Waste Fee and direct staff to present a Budget Ordinance Amendment at the February 28, 2022 regular Council meeting to revise the adopted fee schedule effective July 1, 2022.
2. Do not accept the Administrative Report on the Residential Solid Waste Fee and provide additional guidance to staff.

Recommended Action:

Staff recommends that Council move to accept the Administrative Report on the Residential Solid Waste Fee

Attachments:

Revised Solid Waste Funding Model
Projected Fund Balance Usage Chart