



City Council Agenda Item

City Council Meeting Date: August 7, 2018

TO: Jim Throop, City Manager

FROM: Melinda Wall, Financial Services Manager
m_wall@ci.lompoc.ca.us

SUBJECT: Adoption of Resolution No. 6203(18) Approving the Suspension of the Fiscal Year 2018-19 Increase in Monthly Solid Waste Service Charges

Recommendation:

Staff recommends the City Council adopt Resolution No. 6203(18) (attached), suspending the Fiscal Year (FY) 2018-19 increases in the monthly water service charges and maintaining the rates as established by Resolution No. 5920(14).

Background:

On June 3, 2014, the then City Council adopted Resolution No. 5920(14) establishing fees and charges for the City of Lompoc's (City) Solid Waste programs. The resolution provided for adjustments in the solid waste service charges with annual increases effective July 1, 2014, July 1, 2015, July 1, 2016, July 1, 2017, and July 1, 2018.

Resolution No. 5920(14) was adopted in accordance with Proposition 218, which was passed in 1996 by a majority of voters. The process included a review performed by an independent external consultant which produced a rate study.

Discussion:

On July 17, 2018, the City Council provided direction to suspend indefinitely the previously adopted increases in fees and charges slated to commence on July 1, 2018. The suspension provides for the charges to remain at the 2017 level, as adopted by Resolution No. 5920(14). The following schedules show the current charges for the Solid Waste System's collection charges approved by Resolution No. 5920(14) effective July 1, 2017, affirmed by the City Council on May 16, 2017:

Per Resolution No 5920(14)
 Effective July 1, 2017

Single-Family Residential Collection Charges

Type of Service	Refuse Collection Rate	State Recycle Fee	County Inspection Fee	Total Monthly Charge to Customer
65 Gallon Container	\$30.74	\$0.08	\$0.06	\$30.88
95 Gallon Container	39.77	0.12	0.08	39.97
Each Additional 65 Gallon Container	10.84	0.08	0.06	10.98
Each Additional 95 Gallon Container	16.29	0.12	0.08	16.49

Multi-Family Residential Collection Charges

Type of Service	Collections per Week	Refuse Collection Rate	State Recycle Fee	County Inspection Fee	Total Monthly Charge to Customer
Basic Service per Unit	2	\$23.67	\$0.24	\$0.16	\$24.07
Additional Collections per Container:					
95 gallon container	1	35.73	0.12	0.08	35.93
	2	47.78	0.24	0.16	48.18
	3	59.72	0.36	0.24	60.32
300 gallon container	1	49.73	0.38	0.25	50.36
	2	99.49	0.76	0.50	100.75
	3	149.20	1.14	0.75	151.09
450 gallon container	1	62.68	0.57	0.39	63.64
	2	125.34	1.14	0.78	127.26
	3	188.02	1.71	1.17	190.90

Commercial Collection Charges

Type of Service	Collections per Week	Refuse Collection Rate	State Recycle Fee	County Inspection Fee	Total Monthly Charge to Customer
95 gallon	1	\$39.77	\$0.12	\$0.08	\$39.97
	2	48.52	0.24	0.16	48.92
	3	60.52	0.36	0.24	61.12
	4	75.52	0.48	0.32	76.32
	5	93.52	0.60	0.40	94.52
300 gallon	1	87.58	0.38	0.25	88.21
	2	175.19	0.76	0.50	176.45
	3	262.74	1.14	0.75	264.63
	4	350.35	1.52	1.00	352.87
	5	437.93	1.90	1.25	441.08
450 gallon	1	110.35	0.57	0.39	111.31
	2	220.70	1.14	0.78	222.62
	3	331.07	1.71	1.17	333.95
	4	441.44	2.28	1.56	445.28
	5	551.78	2.85	1.95	556.58

No landfill tipping charge changes were scheduled to be implemented as of July 1, 2018.

Fiscal Impact:

The projected annual additional revenues from the FY 2018-19 rate adjustment was projected at \$242,300 based on the consultant’s recommended rate adjustments. The suspension of the rate adjustments will reduce the FYs 2017-2019 budgeted service charge revenue by \$242,300 in account 759RSW-465500 – Residential Service Charges for FY 2018-19 from \$5,061,378 to \$4,819,078.

Until actual results are known for FY 2018-19, the decrease in actual revenues compared with budgeted revenues are unknown. Financial information for FY 2018-19 will be available upon completion of the City’s annual financial statements for that year, approximately six months following the end of the fiscal year, or December 31, 2019.

Conclusion:

Adoption of the proposed resolution is consistent with the City Council’s direction related to suspension of the charges slated for July 1, 2018, and continuing the monthly solid waste service charges affirmed in Resolution No. 5940(14) for the City’s Solid Waste System effective July 1, 2017.

Respectfully submitted,

Melinda Wall, Financial Services Manager

APPROVED FOR SUBMITTAL TO THE CITY MANAGER:

Brad Wilkie, Management Services Director/Finance Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Jim Throop, City Manager

Attachment: [Resolution No. 6203\(18\)](#)