

ORDINANCE NO. 14-17

AN ORDINANCE OF THE CITY OF KEY WEST, FLORIDA, AMENDING CHAPTER 58 OF THE CODE OF ORDINANCES ENTITLED "SOLID WASTE" BY AMENDING SECTION 58-65 TO ADJUST RESIDENTIAL SOLID WASTE RATES; AMENDING SECTION 58-66 TO ADJUST DUMPING FEES FOR COMMERCIAL ESTABLISHMENTS AND LICENSED BUSINESSES; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEAL OF INCONSISTENT PROVISIONS; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the City Commission finds that an adjustment to solid waste rates would promote the health, safety and welfare of the citizens of Key West.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF KEY WEST, FLORIDA:

Section 1: That Section 58-65 of the Code of Ordinances is hereby amended as follows\*

**Sec. 58-65. Residential rates.**

The annual solid waste charge levied upon residential units in the city for maximum solid waste collection, transfer, and disposal service shall be ~~\$325.56~~ 356.28 per year. This rate may be adjusted each October 1, by resolution of the city commission, by up to 100 percent of the percentage increase in the CPI-(U), U.S. City Averages (as of June). The city commission shall enact an ordinance amendment to this section in order to increase the rate in excess of the CPI.

Section 2: That Section 58-66 of the Code of Ordinances is hereby amended as follows:

**Sec. 58-66. Dumping fee for commercial establishments and licensed businesses.**

Each commercial establishment and/or licensed business shall pay a maximum solid waste dumping or tipping fee of ~~\$169.29~~ 168.11 per ton based on a conversion rate of 163 pounds per cubic yard for non-compaction containers.

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\* Coding: Added language for first reading is underlined; deleted language is ~~struck through~~. Added language for second reading is double-underlined.

Section 3: If any section, provision, clause, phrase, or application of this Ordinance is held invalid or unconstitutional for any reason by any court of competent jurisdiction, the remaining provisions of this Ordinance shall be deemed severable therefrom and shall be construed as reasonable and necessary to achieve the lawful purposes of this Ordinance.

Section 4: All Ordinances or parts of Ordinances of said City in conflict with the provisions of this Ordinance are hereby superseded to the extent of such conflict.

Section 5: This Ordinance shall go into effect immediately upon its passage and adoption and authentication by the signature of the presiding officer and the Clerk of the Commission.

Read and passed on first reading at a regular meeting held this 19th day of August, 2014.

Read and passed on final reading at a regular meeting held this 3rd day of September, 2014.

Authenticated by the presiding officer and Clerk of the

Commission on 4th day of September, 2014.

Filed with the Clerk September 4, 2014.

Mayor Craig Cates	<u>Yes</u>
Vice Mayor Mark Rossi	<u>Absent</u>
Commissioner Teri Johnston	<u>No</u>
Commissioner Clayton Lopez	<u>Yes</u>
Commissioner Billy Wardlow	<u>Yes</u>
Commissioner Jimmy Weekley	<u>No</u>
Commissioner Tony Yaniz	<u>Yes</u>

  
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CRAIG CATES, MAYOR

ATTEST:

  
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CHERYL SMITH, CITY CLERK



## THE CITY OF KEY WEST

Post Office Box 1409 Key West, FL 33041-1409 (305) 809-3700

MEMORANDUM

### EXECUTIVE SUMMARY

**TO:** Jim Scholl, City Manager  
Sarah Spurlock, Assistant City Manager

**FROM:** Michael Turner, Utilities Collection Manager

**DATE:** August 04, 2014

**RE:** **Approval of Amendments to the City's Solid Waste Ordinances authorizing a \$356.28 Annual Solid Waste Residential User Fee Charge and authorizing a \$168.11 Per Ton Solid Waste Tipping Fee**

#### ACTION STATEMENT:

The Amendments proposed to Chapter 58 of the City's Code of Ordinance are a result of an increase in the Solid Waste rates above a Consumer Price Index (CPI) increase.

#### BACKGROUND:

The City Commission passed Resolution 14-134 approving a contract renewal for Waste Management and as a result, the City established an additional trash collection day and Waste Management will be taking over the operation of the Transfer Station.

The City Commission establishes the Solid Waste rates for our residents each fiscal year. Staff and our financial rate consultant along with the City's consultant CDM Smith have incorporated the recent changes to the renewal of the Waste Management contract and have analyzed in detail the Solid Waste Utility financials.

#### PURPOSE AND JUSTIFICATION

According to Chapter 58 of the City's Solid Waste Ordinances, a rate change over CPI requires an amendment to the Ordinance. Due to the changes in service a rate of \$356.28 for the Annual Solid Waste Residential User Fee charge and a \$168.11 Per Ton Solid Waste Tipping Fee were recommended.

*Key to the Caribbean – Average yearly temperature 77° F.*

The rates proposed by City staff consisted of adding the cost of an additional pick up to the included in the residential rate. The additional cost of the Transfer Station would be split up between the Residential and Commercial customers with the additional amount from reserves to responsibly draw them down.

**Options:**

- 1) The City may choose to maintain the Solid Waste budget at current levels. This option is not recommended by City Staff because it would draw down reserves too fast and put the fund in jeopardy.
- 2) The City can approve a \$356.28 annual residential Solid Waste Rate Fee and a \$168.11 Tipping Fee Rate per ton of Solid Waste for Commercial.

**Financial Impact:**

The financial impact of this proposed increase would be as follows:

	FY 2014 Budget (current)	Proposed FY 2015 Budget	Increase
Residential Rate (Hauling and Disposal)	\$319.05 (per year)	\$356.28(per year)	\$37.23/yr.
Rate per Ton for Commercial and Navy	\$165.90/per ton	\$168.11/per ton	\$2.21/per ton

**RECOMMENDATION:**

Staff recommends that the City Commission select Option 2, approving the amendments to Chapter 58 of the Solid Waste Code of Ordinances. This would cover the costs of the new contract and responsibly draw down reserves keeping the fund healthy.