

CITY OF MARYSVILLE AGENDA BILL

EXECUTIVE SUMMARY FOR ACTION

CITY COUNCIL MEETING DATE: 4/11/2022

AGENDA ITEM:	
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MARYSVILLE, WASHINGTON, AMENDING CHAPTER 7.08 OF THE MARYSVILLE MUNICIPAL CODE RELATING TO GARBAGE COLLECTION.	
PREPARED BY:	DIRECTOR APPROVAL:
Sandy Langdon, Fin. Dir./Skip Knutsen, PW Svc. Mgr.	
DEPARTMENT:	
Finance/Solid Waste	
ATTACHMENTS:	
Proposed ordinance	
BUDGET CODE:	AMOUNT:
SUMMARY:	

The City has not raised solid waste collection rates in the past ten years. However, significant changes to the global market for recyclables and increased fuel costs have resulted in rates not covering the cost of disposing of solid waste and recyclables. Waste Management raised rates for recyclables and yard waste in September 2021 and the City has not passed on this increase to customers.

For many years the main recycling processor has been the Chinese government. In 2018 the Chinese government significantly limited the recyclable materials it will accept from foreign nations. Since this ban, recycling disposal rates have risen to recover the increased cost of the disposal of the recycled materials. Recycling companies cannot rely on selling recyclable materials to cover their costs so they are raising their contracted rates. The increase in fuel costs for the City and Waste Management has also led to the need for the rate increase.

The City of Marysville contracts with Waste Management to provide mandatory recycling service and optional yard waste service for City of Marysville residents. Our current contract ended on August 31st, 2021. Due to the global climate of recycling, our new contract with Waste Management has a significant increase in cost which Waste Management chose to pass on to new contracts. These increased contracted rates took effect as of September, 2021. Since then, the City has not passed on the cost increase to customers, but this has eroded the City’s reserve. The City can no longer absorb this cost as it could affect the capital for replacing garbage trucks and our ability to deliver solid waste services in the future.

The City recently completed a rate study to determine the rate levels to stop and restore eroded reserves. The most common service changes are presented in Attachment A and details are included in the proposed ordinance.

<p>RECOMMENDED MOTION: I move to approve Ordinance No. _____.</p>
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ATTACHMENT A

The majority of our customers have a 36 gallon garbage cart (\$30.76 bi-monthly), 96 gallon recycling cart (\$18.46 bi-monthly) and a 96 gallon yard waste cart (\$20.40 bi-monthly). The rate for these services currently is \$69.62 per bill (bi-monthly).

After May 1st, 2022, the new rate for these services will be as follows: 36 gallon garbage cart (\$33.81 bi-monthly), 96 gallon recycling cart (\$31.38 bi-monthly) and a 96 gallon yard waste cart (\$34.68 bi-monthly), for a total of \$99.87 per bill (bi-monthly). This is a total increase of \$30.25 bi-monthly (\$15.125 per month).

					<u>COST PER ADDITIONAL PICKUP</u>
<u>GARBAGE</u>	<u>BI-MONTHLY</u>	<u>MONTHLY</u>		<u>BI-MONTHLY</u>	<u>MONTHLY</u>
36 GALLON WEEKLY	\$33.81	\$16.91	1 YARD CONTAINER	\$243.80	\$121.90
64 GALLON WEEKLY	\$69.98	\$34.99	1.5 YARD CONTAINER	\$331.17	\$165.59
96 GALLON WEEKLY	\$106.14	\$53.07	2 YARD CONTAINER	\$420.31	\$210.16
20 GALLON WEEKLY	\$23.36	\$11.68	3 YARD CONTAINER	\$575.56	\$287.78
LOW INCOME SR/DISABLED	\$19.87	\$9.94	4 YARD CONTAINER	\$641.98	\$320.99
36 GALLON ONCE A MONTH	\$7.21	\$3.61	6 YARD CONTAINER	\$871.73	\$435.87
WALK UP SERVICE WEEKLY/MONTHLY	\$11.00/\$2.75	\$5.50/\$1.38	8 YARD CONTAINER	\$1,130.49	\$565.25
					\$141.32
<u>RECYCLING</u>	<u>BI MONTHLY</u>	<u>MONTHLY</u>			
96 GALLON	\$31.38	\$15.69			
2ND 96 GALLON CART	\$10.54	\$5.27			
LOW INCOME SR/DISABLED	\$18.83	\$9.42			
<u>YARD WASTE</u>	<u>BI MONTHLY</u>	<u>MONTHLY</u>			
96 GALLON	\$34.68	\$17.34			
2ND 96 GALLON CART	\$9.25	\$4.63			

CITY OF MARYSVILLE
Marysville, Washington

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MARYSVILLE,
WASHINGTON, AMENDING CHAPTER 7.08 OF THE MARYSVILLE
MUNICIPAL CODE RELATING TO SOLID WASTE RATES.**

WHEREAS, the last solid waste rate adjustment was in 2012; and

WHEREAS, the recycling market has changed significantly and contract rates have risen;
and

WHEREAS, the city recently completed a solid waste rate study recommending
increasing rates to meet current and future operating and capital needs; and

WHEREAS, the Solid Waste Fund is an enterprise fund that is required to fund expenses
with user fees; and

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

SECTION 1. Chapter 3.63 MMC, Rate Relief, is hereby amended

SECTION 2. Severability. If any section, subsection, sentence, clause, phrase or word
of this ordinance should be held to be invalid or unconstitutional by a court of competent
jurisdiction, such invalidity or unconstitutionality thereof shall not affect the validity or
constitutionality of any other section, subsection, sentence, clause, phrase or word of this
ordinance.

SECTION 3. Upon approval by the city attorney, the city clerk or the code reviser are
authorized to make necessary corrections to this ordinance, including scrivener's errors or
clerical mistakes; references to other local, state, or federal laws, rules, or regulations; or
numbering or referencing of ordinances or their sections and subsections.

SECTION 4. Effective Date. This ordinance shall become effective May 1, 2022.

PASSED by the City Council and APPROVED by the Mayor this _____ day of
_____, 2022.

CITY OF MARYSVILLE

By _____
JON NEHRING, MAYOR

Attest:

By _____
_____, DEPUTY CITY CLERK

Approved as to form:

By _____
JON WALKER, CITY ATTORNEY

Date of publication: _____

Effective Date: May 1, 2022

**Chapter 7.08
GARBAGE COLLECTION**

7.08.110 Rate schedule.

~~A. Effective January 1, 2012, the monthly rates for the collection of garbage and refuse to be charged by the city shall be according to the following schedule:~~

~~(1) — Weekly pickup — Each dwelling unit:~~

~~\$19.86 — for one mini can — 20 gallon insert into 35 gallon cart~~

~~\$24.61 — for one 36 gallon cart~~

~~\$41.07 — for one 64 gallon cart~~

~~\$52.52 — for one 96 gallon cart~~

~~(2) — Monthly pickup — Each dwelling unit:~~

~~\$11.97 — for one 36 gallon cart~~

~~(3) — Extra pickup:~~

~~\$6.66 for each additional can or excess refuse bag per pickup~~

~~(4) — Low income senior citizen rate:~~

~~\$15.50 — for one 20 or 36 gallon cart~~

~~Larger cart or additional garbage at regular rates (see eligibility requirements in MMC 7.08.115)~~

~~(5) — Business, schools, churches, etc.:~~

~~Same as dwelling unit rate on a per container basis~~

~~(6) — Service more frequent:~~

~~Rate multiplied by number of the weekly pickups~~

~~(7) — Containers (noncompacted):~~

~~One cubic yard — \$110.82/month (or \$27.71/pickup)~~

~~One and one half cubic yards — \$150.53/month (or \$37.63/pickup)~~

~~Two cubic yards — \$191.05/month (or \$47.76/pickup)~~

~~Three cubic yards — \$261.62/month (or \$65.41/pickup)~~

~~Four cubic yards — \$291.81/month (or \$72.95/pickup)~~

~~Six cubic yards — \$396.24/month (or \$99.06/pickup)~~

~~Eight cubic yards — \$513.86/month (or \$128.47/pickup)~~

~~(8) — Containers (compacted): (The term "compacted material" means any material which has been compressed or shredded by any mechanical device either before or after it is placed in the receptacle handled by the collector.)~~

~~Rates for compacted material shall be 50 percent greater than the rate for the same size container of uncompacted refuse.~~

~~(9) — Container — Surplus garbage:~~

~~Charged at same rate as container assuming equivalent bulk and weight~~

~~(10) — Container — Service more frequent:~~

~~Container rate multiplied by number of weekly pickups~~

~~(11) — Container — Rollouts beyond 20 feet:~~

~~\$12.15/month per container~~

~~(12) — Container — Cleaning — If not maintained by user:~~

~~\$30.35 per container per instance~~

~~B. Effective January 1, 2022, the monthly rates for the collection of garbage, refuse, and recyclables to be charged by the city shall be according to the following schedule:~~

~~(1) — Weekly pickup — Each dwelling unit:~~

~~\$10.63 — for one mini can — 20 gallon insert into 35 gallon cart~~

~~\$15.38 — for one 36 gallon cart~~

~~\$31.84 — for one 64 gallon cart~~

~~\$48.29 — for one 96 gallon cart~~

~~(2) — Monthly pickup — Each dwelling unit:~~

~~\$2.74 — for one 36 gallon cart~~

~~(3) — Extra pickup:~~

~~\$6.66 for each additional can or excess refuse bag per pickup~~

~~(4) — Low income senior citizen rate:~~

~~\$9.04 — for one 20 or 36 gallon cart~~

~~Larger cart or additional garbage at regular rates (see eligibility requirements in MMC 7.08.115)~~

~~(5) — Business, schools, churches, etc.:~~

~~Same as dwelling unit rate on a per container basis~~

~~(6) — Service more frequent:~~

~~Rate multiplied by number of the weekly pickups~~

~~(7) — Containers (noncompacted):~~

~~One cubic yard — \$110.82/month (or \$27.71/pickup)~~

~~One and one half cubic yards — \$150.53/month (or \$37.63/pickup)~~

~~Two cubic yards — \$191.05/month (or \$47.76/pickup)~~

~~Three cubic yards — \$261.62/month (or \$65.41/pickup)~~

~~Four cubic yards — \$291.81/month (or \$72.95/pickup)~~

~~Six cubic yards — \$396.24/month (or \$99.06/pickup)~~

~~Eight cubic yards — \$513.86/month (or \$128.47/pickup)~~

~~(8) — Containers (compacted): (The term “compacted material” means any material which has been compressed or shredded by any mechanical device either before or after it is placed in the receptacle handled by the collector.)~~

~~Rates for compacted material shall be 50 percent greater than the rate for the same size container of uncompacted refuse.~~

~~(9) — Container — Surplus garbage:~~

~~Charged at same rate as container assuming equivalent bulk and weight~~

~~(10) — Container — Service more frequent:~~

~~Container rate multiplied by number of weekly pickups~~

~~(11) — Container — Rollouts beyond 20 feet:~~

~~\$12.15/month per container~~

~~(12) — Container — Cleaning — If not maintained by user:~~

~~\$30.35 per container per instance~~

~~(13) — Compulsory recycling — Bi-weekly pickup:~~

~~\$9.23 — for one 96-gallon cart~~

~~\$6.46 — for low-income rate~~

~~\$4.79 — for one additional 96-gallon cart~~

C. Effective May 1, 2022, the bi-monthly rates (per billing cycle) for the collection of garbage, refuse, and recyclables to be charged by the city shall be according to the following schedule:

(1) Weekly pickup – Each dwelling unit:

\$23.36 – for one mini-can – 20-gallon insert into 35-gallon cart

\$33.81 – for one 36-gallon cart

\$69.98 – for one 64-gallon cart

\$106.14 – for one 96-gallon cart

(2) Monthly pickup – Each dwelling unit:

\$7.21 – for one 36-gallon cart

(3) Extra pickup:

\$7.33 for each additional can or excess refuse bag per pickup

Larger cart or additional garbage at regular rates (see eligibility requirements in MMC 7.08.115)

(5) Business, schools, churches, etc.:

Same as dwelling unit rate on a per container basis

(6) Service more frequent:

Rate multiplied by number of the weekly pickups

(7) Containers (noncompacted):

One cubic yard – \$243.80/month (or \$30.48/pickup)

One and one-half cubic yards – \$331.17/month (or \$41.39/pickup)

Two cubic yards – \$420.31/month (or \$52.54/pickup)

Three cubic yards – \$575.56/month (or \$71.95/pickup)

Four cubic yards – \$641.98/month (or \$80.25/pickup)

Six cubic yards – \$871.73/month (or \$108.97/pickup)

Eight cubic yards – \$1130.49/month (or \$141.32/pickup)

(8) Containers (compacted): (The term “compacted material” means any material which has been compressed or shredded by any mechanical device either before or after it is placed in the receptacle handled by the collector.)

Rates for compacted material shall be 50 percent greater than the rate for the same size container of uncompacted refuse.

(9) Container – Surplus garbage:

Charged at same rate as container assuming equivalent bulk and weight

(10) Container – Service more frequent:

Container rate multiplied by number of weekly pickups

(11) Container – Rollouts beyond 20 feet:

\$12.15/month per container

(12) Container – Cleaning – If not maintained by user:

\$30.35 per container per instance

(13) Compulsory recycling – Bi-weekly pickup:

\$31.38 – for one 96-gallon cart

\$10.54 – for one additional 96-gallon cart

(Ord. 3200 § 1 (Exh. A), 2021; Ord. 2779 §§ 1 – 4, 2009; Ord. 2540 § 1, 2004; Ord. 2390 § 3, 2001; Ord. 2352 § 1, 2000; Ord. 2285 § 1, 1999; Ord. 1925 § 1, 1992; Ord. 1876 § 1, 1992; Ord. 1788 § 3, 1990; Ord. 1552 § 1, 1987; Ord. 1474 § 1, 1986; Ord. 1322 § 1, 1983; Ord. 1177, 1981; Ord. 1140 § 7, 1980; Ord. 1057, 1979; Ord. 928 § 8, 1977; Ord. 876 § 1, 1975; Ord. 728 § 3, 1971; Ord. 616 § 1, 1968; Ord. 563 §§ 2, 3, 1966; Ord. 438 § 1, 1957).

7.08.111 Yard waste rate schedule.

~~A. Effective July 1, 2009, each customer participating in the city’s optional yard waste collection service, as provided for in MMC 7.08.033, shall be charged a monthly collection charge of \$8.18 for the first container and \$2.18 for each additional container.~~

~~B. Effective January 1, 2010, each customer participating in the city’s optional yard waste collection service, as provided for in MMC 7.08.033, shall be charged a monthly collection charge of \$8.91 for the first container and \$2.38 for each additional container.~~

~~C. Effective January 1, 2011, each customer participating in the city’s optional yard waste collection service, as provided for in MMC 7.08.033, shall be charged a monthly collection charge of \$9.72 for the first container and \$2.59 for each additional container.~~

~~D. Effective January 1, 2012, each customer participating in the city's optional yard waste collection service, as provided for in MMC 7.08.033, shall be charged a monthly collection charge of \$10.20 for the first container and \$2.72 for each additional container.~~

E. Effective May 1, 2022, each customer participating in the city's optional yard waste collection service, as provided for in MMC 7.08.033, shall be charged a bi-monthly collection charge (per billing cycle) of \$34.68 for the first container and \$9.25 for each additional container.

(Ord. 2779 §§ 1 – 4, 2009; Ord. 2540 § 1, 2004; Ord. 2390 § 4, 2001; Ord. 2352 § 1, 2000; Ord. 2285 § 2, 1999; Ord. 2078 § 2, 1996; Ord. 1854 § 2, 1991; Ord. 1826 § 1, 1991).

7.08.112 Commercial recyclable collection rates.

Commercial and industrial customers participating in the city's optional recycling collection service, as provided in MMC 7.08.032, shall be charged collection rates as follows:

64-gallon cart	- \$2.15 per pickup
90-gallon cart	- \$2.87 per pickup
1-yard container	- \$7.45 per pickup
2-yard container	- \$11.50 per pickup
3-yard container	- \$15.21 per pickup
4-yard container	- \$17.45 per pickup
6-yard container	- \$21.30 per pickup
8-yard container	- \$24.55 per pickup

(Ord. 2540 § 1, 2004; Ord. 2078 § 3, 1996; Ord. 1925 § 1, 1992; Ord. 1854 § 3, 1991).

7.08.113 Multi-family recyclable collection rates.

Multi-family customers participating in the city's optional recycling collection service, as provided in MMC 7.08.032, shall be charged collection rates as follows:

64-gallon cart	- \$2.28 per pickup
90-gallon cart	- \$3.04 per pickup
1-yard container	- \$7.90 per pickup
2-yard container	- \$12.19 per pickup
3-yard container	- \$16.12 per pickup
4-yard container	- \$18.50 per pickup
6-yard container	- \$22.58 per pickup
8-yard container	- \$26.02 per pickup

(Ord. 3200 § 1 (Exh. A), 2021; Ord. 2540 § 1, 2004; Ord. 1925 § 2, 1992).



Solid Waste Division Cost of Service Rate Study



MARYSVILLE
WASHINGTON



April 05, 2022



Agenda



Study Background

Overview of study scope and solid waste fund



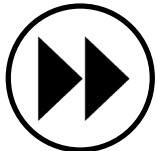
2022-2023 Revenue Requirement & Cost-of-Service Analysis

Financial forecast and cost of service for solid waste customer classes of service



2022-2023 Rate Adjustments

Proposed rate revenue adjustments to align rates with cost-of-service results



Discussion



Solid Waste Fund Background

- **City's Solid Waste Fund is an enterprise fund**
 - » Solid Waste Fund supported almost exclusively by user charges
 - » User charges fund solid waste-related collection services provided by City



Services are Funded
Through User Charges



Independent from
General Fund

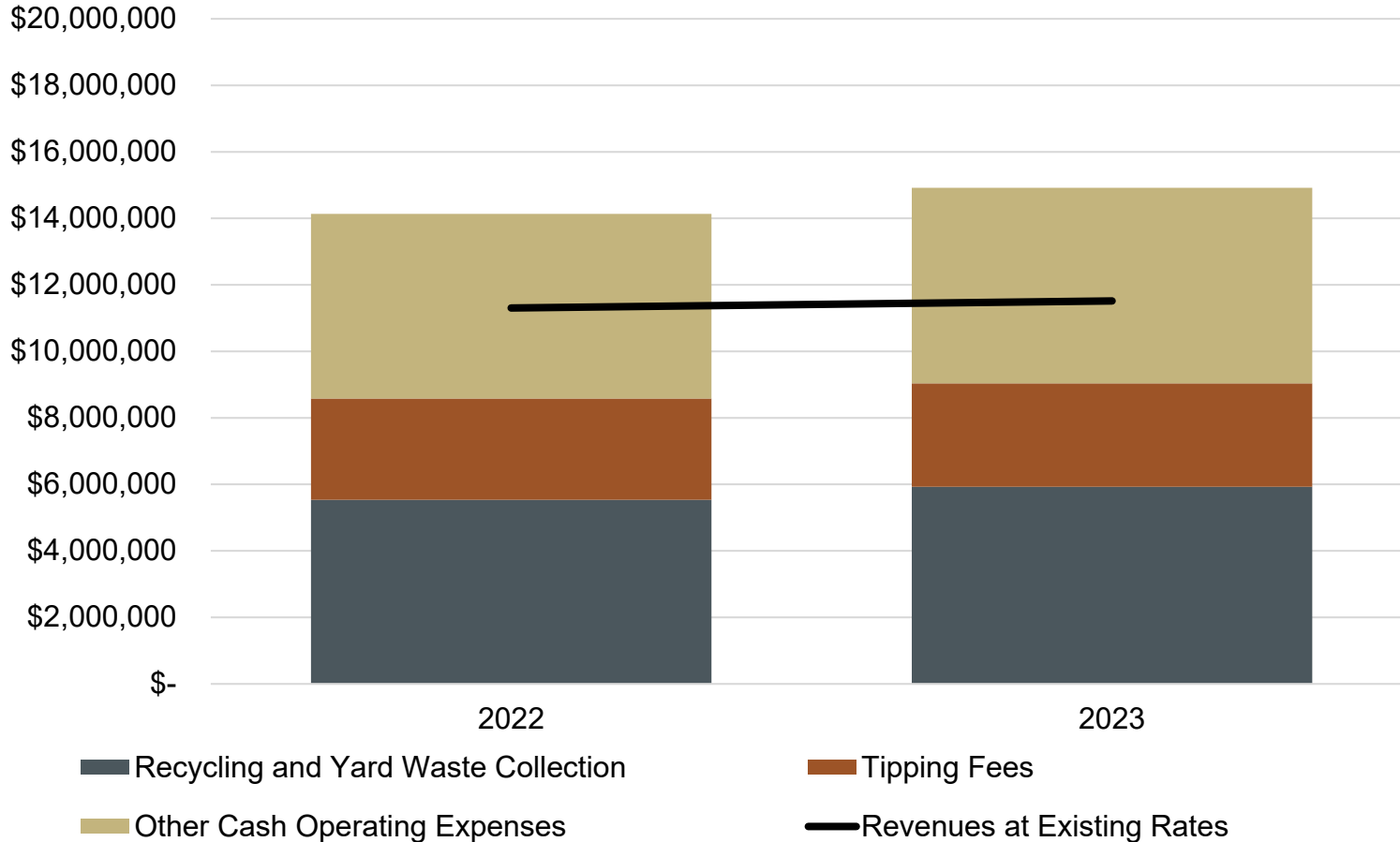


Provides Solid Waste
Services to Commercial &
Residential Customers



Operating Revenue Requirement

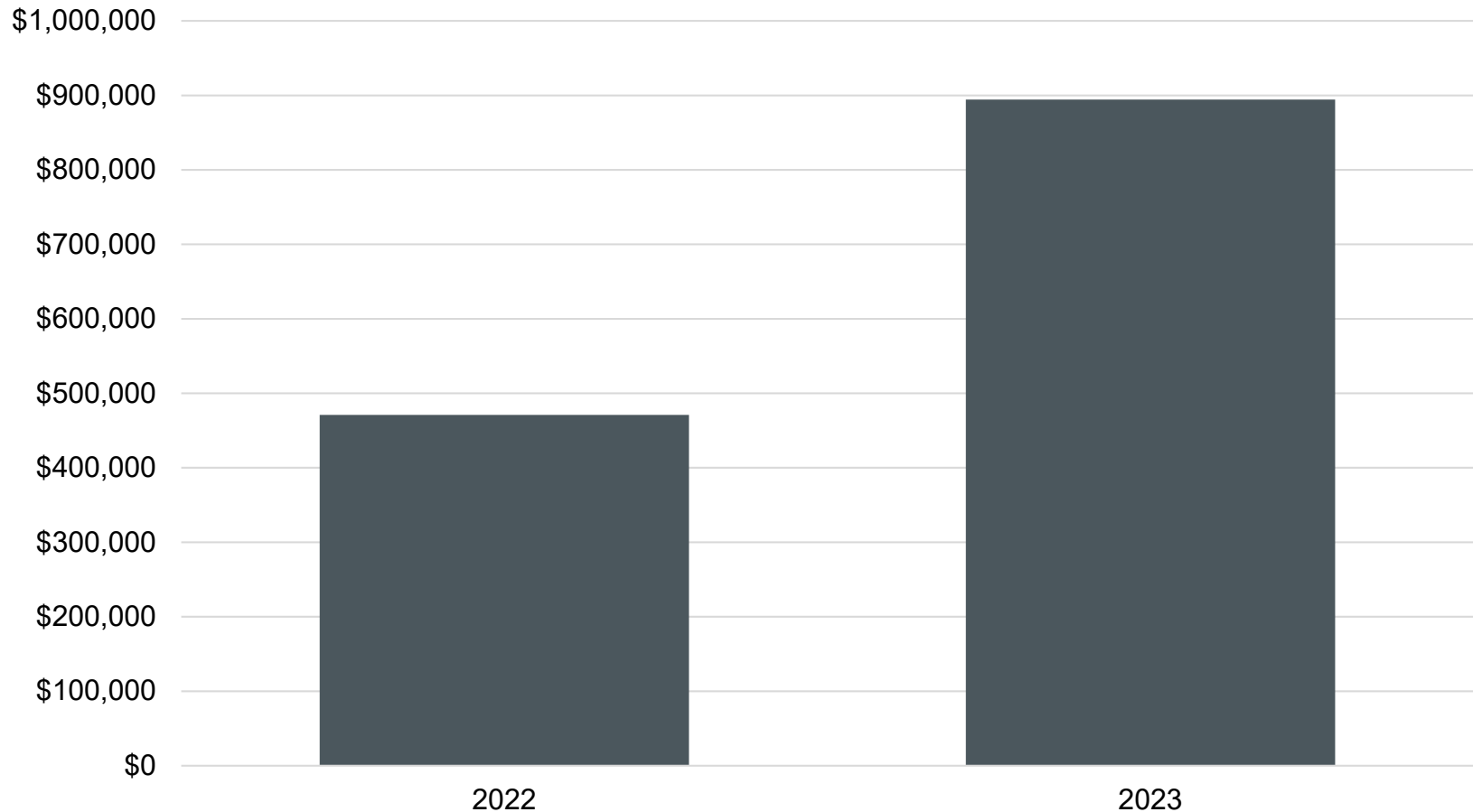
Existing rate revenue cannot sustainably support operating expenses over forecast





Capital Program

Solid waste rates need to support planned vehicle purchases and replacements



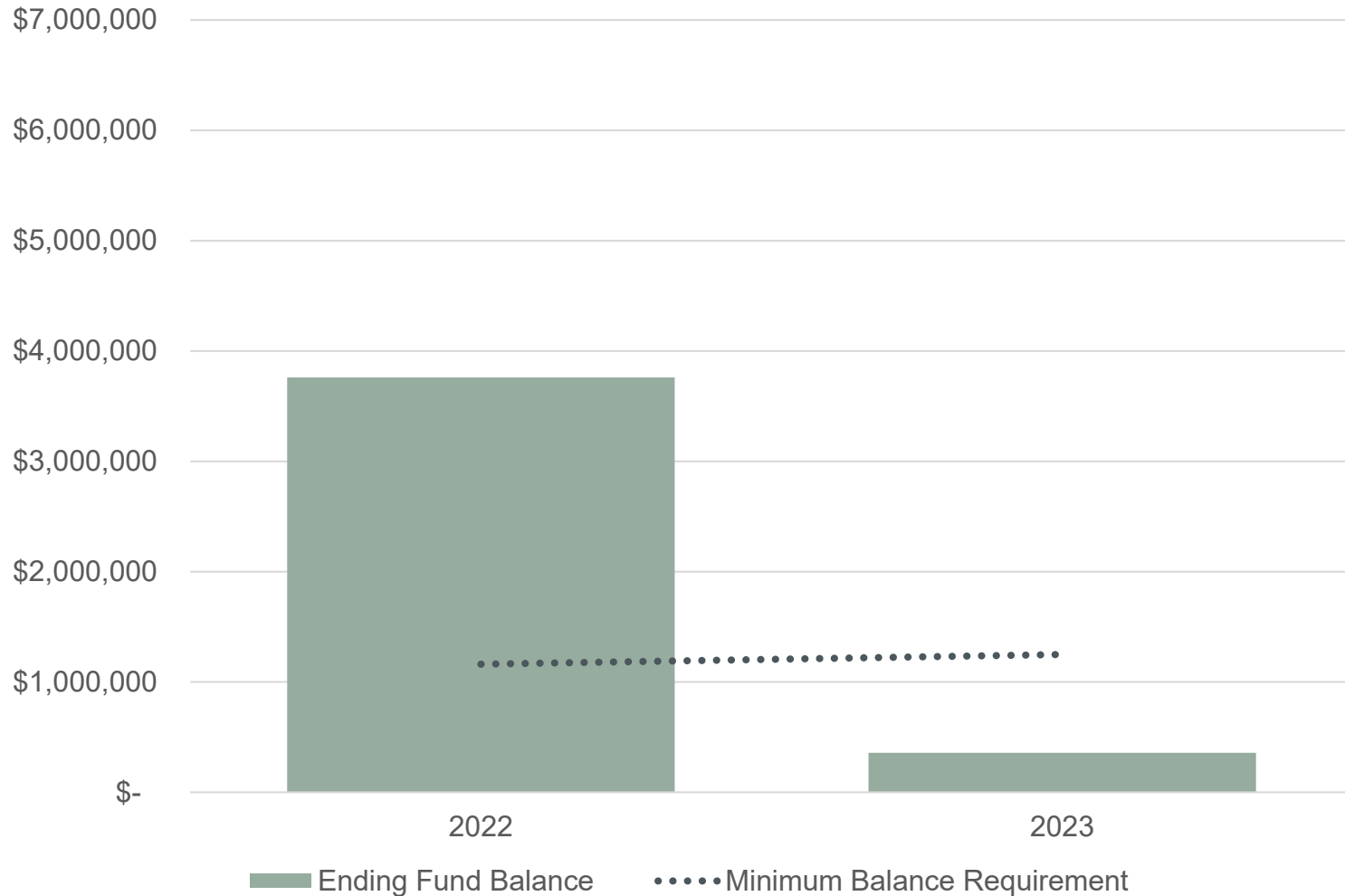
1 new residential truck in 2022

1 residential/1 commercial truck replacements in 2023



Projected Fund Balance at Existing Rates

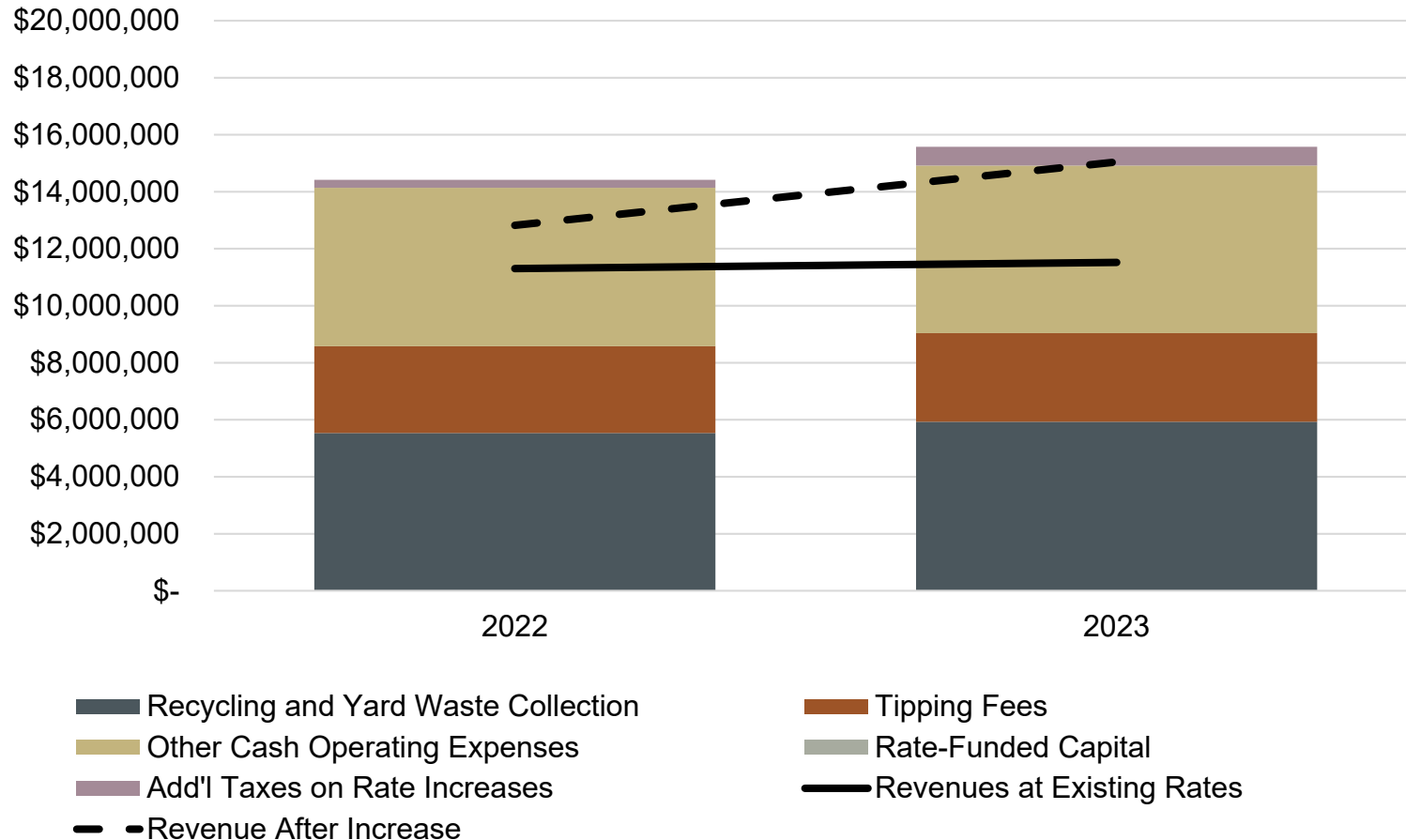
Existing rates cannot sustainably support solid waste services through 2023





Revenue Requirement Analysis

2022 rate revenue adjustment accounts for new yard waste/recycling contract expenses

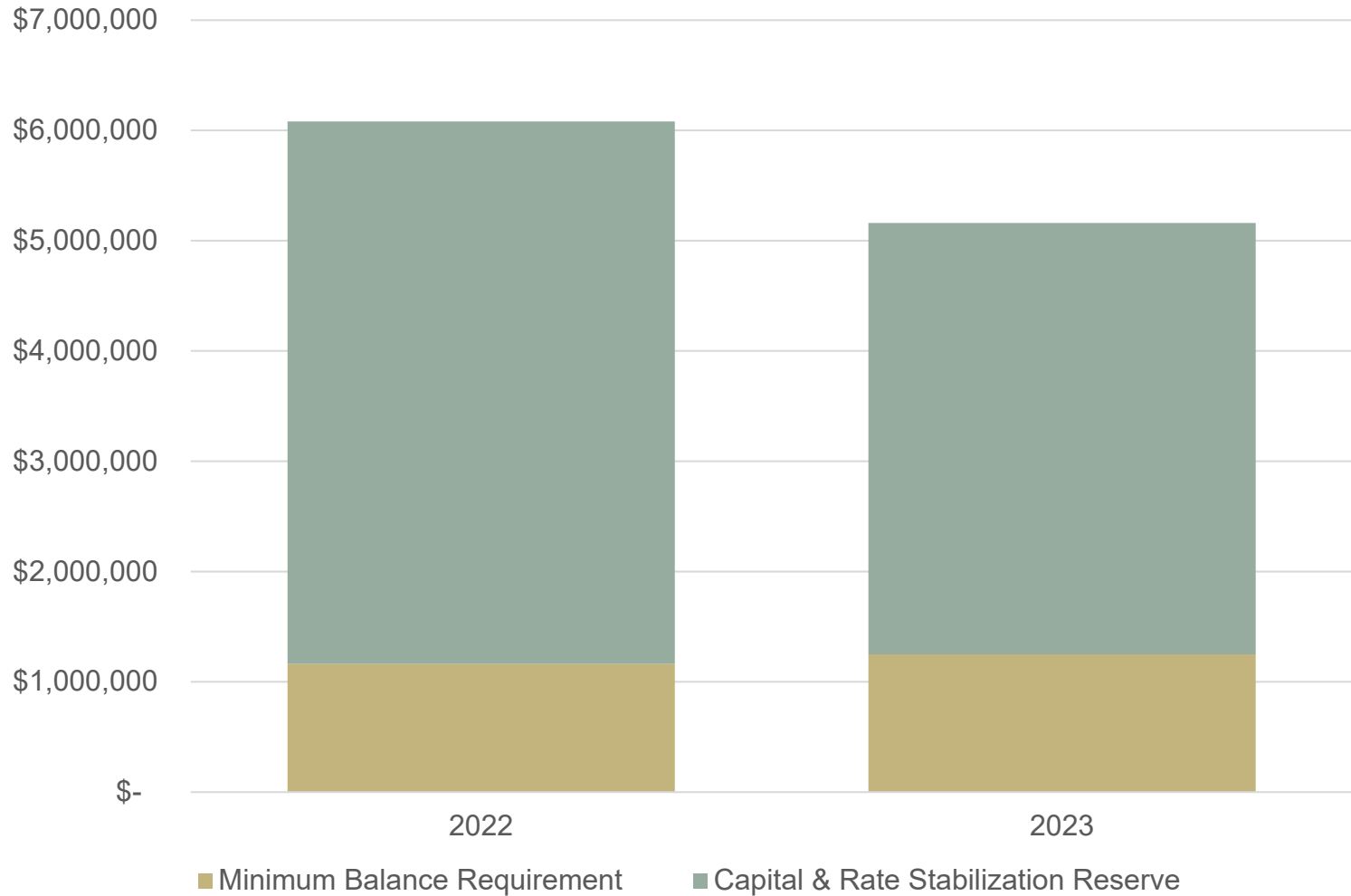


2022 Rate adjustment effective May 1, 2022

2022-2023 rate adjustments to yard waste/recycling service would affect 2024 rate adjustment



Projected Fund Balance at Proposed Rates





2022-2023 Proposed Residential Rates

	JANUARY 2022	MAY 2022	PROJECTION 2023
PROJECTED RATE SCHEDULE			
36 GALLON CART	\$ 30.76	\$ 33.81	\$ 34.79
RECYCLE SERVICE	18.46	31.38	32.32
YARD WASTE CART	<u>20.40</u>	<u>34.68</u>	<u>35.72</u>
TOTAL BI-MONTHLY RATE	\$ 69.62	\$ 99.87	\$ 102.83
CHANGE FROM PRIOR YEAR	\$ -	\$ 30.25	\$ 2.96
64 GALLON CART	\$ 63.68	\$ 69.98	\$ 72.01
RECYCLE SERVICE	18.46	31.38	32.32
YARD WASTE CART	<u>20.40</u>	<u>34.68</u>	<u>35.72</u>
TOTAL BI-MONTHLY RATE	\$ 102.54	\$ 136.05	\$ 140.06
CHANGE FROM PRIOR YEAR	\$ -	\$ 33.51	\$ 4.01
96 GALLON CART	\$ 96.58	\$ 106.14	\$ 109.22
RECYCLE SERVICE	18.46	31.38	32.32
YARD WASTE CART	<u>20.40</u>	<u>34.68</u>	<u>35.72</u>
TOTAL BI-MONTHLY RATE	\$ 135.44	\$ 172.20	\$ 177.27
CHANGE FROM PRIOR YEAR	\$ -	\$ 36.76	\$ 5.06

Thank you! Questions?

Matthew Hobson – Project Manager
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