

**FINANCE MEMORANDUM**  
**#16-17**

**DATE:** October 24, 2016

**TO:** Honorable Mayor Joyce Downing and City Council Members

**FROM:** James A. Hayes, AICP, City Manager *JH*  
David Willett, Director of Public Works *DW*  
Jason Loveland, Director of Finance *JL*

**SUBJECT:** CR-115 Trash Rate Increase Consideration Resolution

**BACKGROUND:**

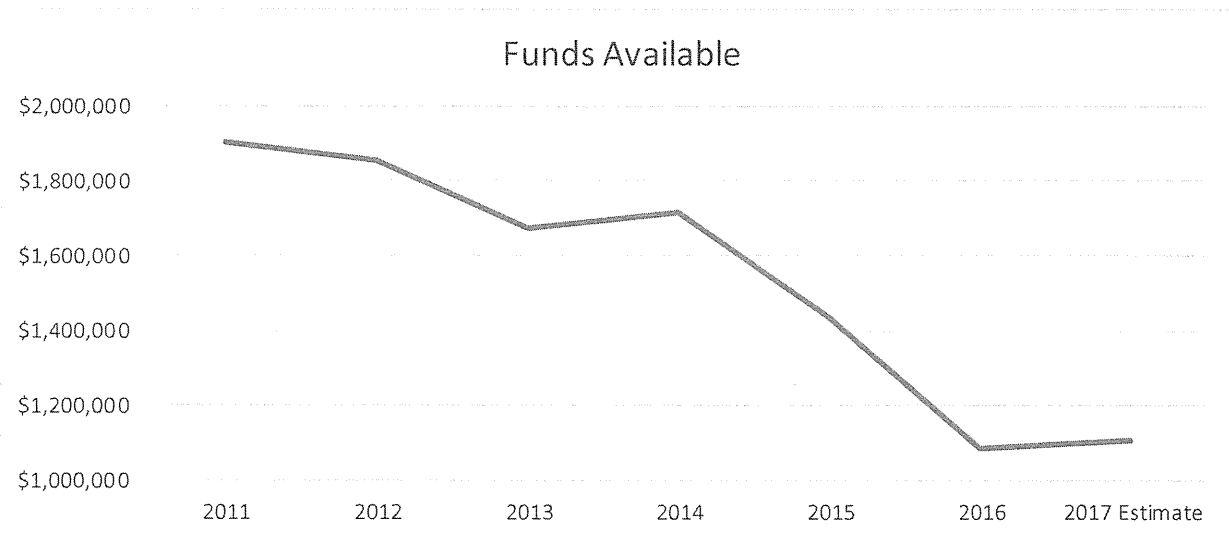
In accordance with Municipal Code Section 16-7-18, "*Changes in Fees and Charges. Prior to increasing any fee or charge related to trash and recycling collection and disposal, a resolution to consider such increase(s) "Consideration Resolution" shall be introduced at a regular meeting of City Council...*"

This resolution will set the Public Hearing date for the trash rate increase on November 14, 2016. Approval of CR-115 does not establish new rates.

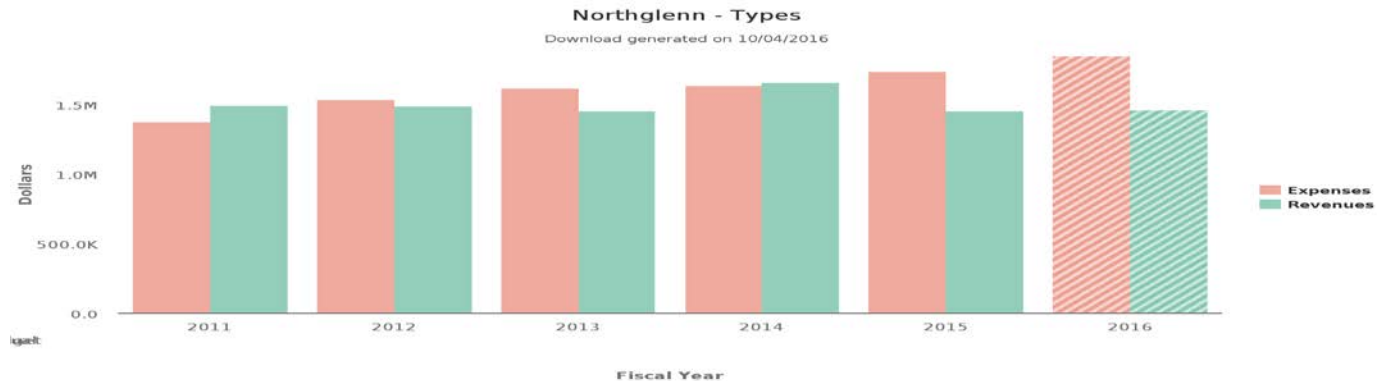
At the October 17 Study Session staff and Council agreed to reduce the roll-off proposed charge from \$300 to \$257 – direct costs (\$180) + average tonnage x tipping fee (\$77). The trash rate fee increase was introduced to the Finance Committee in May of 2014 and subsequently brought forward at the September 19, 2016 Study Session and detailed at the October 10, 2106 Council meeting.

**UPDATE:**

The City of Northglenn provides residential trash services to approximately 9,700 customer accounts. These services are funded by customer fees. Current rates were established beginning January 2004. In order to support the cost of services, and avoid service reductions, an increase in fees is needed. The chart below depicts a 5-year fund balance history and projection for 2016 and 2017. The 2017 estimate is shown with the proposed rate increase included – this will balance the revenue and expenditures.



The table below are historical revenue and expenditures of the Fund. In 2014 revenue outpaced expenditures due to asset sales. The Sanitation Fund revenue is approximately \$1.5M per year while the cost of operations and capital equipment are \$1.8M.



The current base rate for trash service is \$12.25. The proposed base rate, to begin January 1, 2017, is \$16.00. Other rate changes include:

- Beginning with the third special pick up the fee increases from current level of \$7.50 to \$100.00. The city will continue to offer two free special pickups. This service is widely used in the city with over 1,800 special pickups completed in the first eight months of 2016.
- Roll-off dumpster rental increase from \$180.00 to \$257.00 (\$180.00 + landfill tipping fee average charge of \$77). Free roll-offs will continue to be available for a group of five neighbors.
- Major appliance fees will increase from \$10.00 per appliance to \$65.00 to cover the cost of service.

Regional Base Rate cost comparison:

	Northglenn*	Thornton	Longmont	Loveland	Private
\$ Monthly Base Rate - # of 96 gallon polycarts	\$16.00 – up to 3	\$13.50 – 1 \$16.00 – 2 \$25.20 – 3 \$34.40 – 4	\$24.00 – 1 \$45.60 – 2	\$18.00 – 1	\$28.75 – 1 Avg of 4 private companies

\*Proposed rate

Other Fee Detail:

Special Pickup Cost:

# of Hours: 3  
 Direct Labor Cost: \$32/hour  
 Vehicle Cost/hr: \$13.59  
Total Direct Cost: \$136.77

Roll-Off Rental Cost:

# of Hours: 4  
 Direct Labor Cost: \$32/hour  
 Vehicle Cost/hr: \$13.59  
 Tipping Fee at Landfill \$11/ton: \$77.00  
Total Direct Cost: \$259.36

The # of Hours and Tipping Fees listed above are conservatively low estimates and averages relating to the cost to provide the services. The calculations do not include overhead cost estimates such as utility costs and office support.

Additional information regarding these services are provided below:

Through August, the Sanitation crew has made 1,800 Special Pickups. The chart below lists the history of pickups that are being charged \$7.50.

Year	# of Special Pick-ups with Charge – 3 or more
2016	41
2015	36
2014	26
2013	32
2012	32
2011	42

Year-to-date roll-off data:

2016	# of Roll-Offs Rented	City Sponsored Roll-Offs	Group Roll-Offs - Free
January	21		4
February	21		2
March	27		6
April	33	1	9
May	28		9
June	32	2	12
July	26		5
August	36	1	7
September	28		9
Total	252	4	63

**PROS/CONS:**

The additional revenue generated will help fund the replacement, repair, and operations of the City’s trash and recycling program.

The proposed increases will place an additional financial burden on all residential sanitation customers regardless of income.

**RECOMMENDATION:**

Staff recommends approval of CR-115, to set the Public Hearing for the proposed trash collection rate increases on November 14, 2016.

**STAFF REFERENCE:**

If Councilmembers have any comments or questions, you may contact Jason Loveland at [jloveland@northglenn.org](mailto:jloveland@northglenn.org) or 303-450-8817 or David Willett at [dwillett@northglenn.org](mailto:dwillett@northglenn.org) or 303-450-8783.

SPONSORED BY: MAYOR DOWNING

COUNCILMAN'S RESOLUTION

RESOLUTION NO.

No. CR-115  
Series of 2016

\_\_\_\_\_  
Series of 2016

A CONSIDERATION RESOLUTION, PURSUANT TO THE REQUIREMENTS OF SECTION 16-7-18 OF THE MUNICIPAL CODE OF THE CITY OF NORTHGLENN, COLORADO, DIRECTING THE SETTING OF A PUBLIC HEARING FOR THE PURPOSE OF OBTAINING PUBLIC INPUT ON THE ISSUE OF A PROPOSED TRASH FEE RATE INCREASE

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. The City Clerk is hereby directed to set a Public Hearing on November 14, 2016, to be held at 7:00 p.m. or as soon thereafter as possible, at the City Hall Council Chambers, 11701 Community Center Drive, Northglenn, for the purpose of obtaining public input regarding the increase of trash collection fees and charges proposed to be effective for utility bills issued subsequent to January 1, 2017. Current and proposed trash collection fees and charges are as follows:

	<u>Current Rate</u>	<u>Proposed 2017 Rate</u>
Monthly Residential Basic Service Fee (Mandatory)	\$12.25	\$16.00
Passenger Tires	Current Cost	No Change
Commercial Tires	Current Cost	No Change
Special Pickups – Pursuant to Section 16-7-5(a)	Two (2) free, third or more \$7.50 each	Two (2) free, third or more \$100 each
Move-outs, abatements, & other collections authorized by Director	As determined by Director	No Change
Construction materials/debris (Roll-off rental required for large quantity)	As determined by Director	No Change
Roll-off dumpster (based upon availability)	\$180.00 per use	\$180 per use + Average roll-off tonnage at current cost

	<u>Current Rate</u>	<u>Proposed 2017 Rate</u>
More than one major appliance of each type per year	\$10.00 each excess appliance	\$65.00 each excess appliance
<del>Appliances containing Freon (each appliance)</del>	<del>\$15.00 or current cost</del>	Remove
Poly Cart Fees	64 gallon container: \$58.00 96 gallon container: \$60.00	No Change No Change

DATED, at Northglenn, Colorado, this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

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 JOYCE DOWNING  
 Mayor

ATTEST:

\_\_\_\_\_  
 JOHANNA SMALL, CMC  
 City Clerk

APPROVED AS TO FORM:

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 COREY Y. HOFFMANN  
 City Attorney