

**CITY OF WILLCOX
MAYOR AND CITY COUNCIL**

**WORK SESSION MEETING
AGENDA**

NOTE DATE: Monday, March 05, 2012

NOTE TIME: 6:00 p.m.

**City Council Chambers
300 W. Rex Allen Drive
Willcox, AZ**

(Mayor or Designee will read only **BOLD** print of each agenda item,
except for Public Hearings, Petitions and Communications.)

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE TO THE FLAG

4. DECLARATION ON CONFLICT OF INTEREST

The Council members and staff have a right to declare a conflict of interest. The declaration of a conflict of interest must be made prior to discussion of any agenda item in which Council members or staff may have a conflict of interest.

5. ADOPTION OF THE AGENDA

The Council will at this time either adopt the agenda as presented by the City Clerk or may remove or table any of the listed agenda items. Tabled items, unless otherwise directed, will appear on the next regular agenda. Council may not add any items to the agenda at this time. Should staff have any recommendations concerning the exclusion or tabling of agenda items they will voice these recommendations at this time.

6. DISCUSSION REGARDING SOLID WASTE RATES

7. ADJOURN

NOTE: People with disabilities may request reasonable accommodations. Requests must be made 48 hours prior to the meeting by contacting City Hall at 384-4271, ext. 4204, during regular business hours 8:00 a.m. to 4:30 p.m., Monday through Friday.



NOTICE OF MEETING

CITY COUNCIL

In accordance with Resolution No. 370 of the City of Willcox, and Section §38-431.01 of the Arizona Revised Statutes **NOTICE IS HEREBY GIVEN** that the **MAYOR AND COUNCIL** of the City of Willcox, County of Cochise, Arizona, will hold a **WORK SESSION MEETING** on **MONDAY** the **5TH** day of **MARCH** 2012, at **6:00 P.M.**, at the **CITY COUNCIL CHAMBERS, 300 W. REX ALLEN DRIVE, WILLCOX, AZ.**

Item for consideration and/or discussion relating to:

- **SOLID WASTE RATES**

All members of the public are invited to attend such meeting.

DATED AND POSTED this **1st** day of **March** 2012, at 3:00 P.M.

CITY OF WILLCOX, ARIZONA

Cristina Garcia Whelan, CMC

/s/ Cristina Garcia Whelan, CMC

City Clerk Cristina Garcia Whelan, CMC

Agenda\2012\wsmtgnotice 030512

"Mine, Yours, Ours"

**CITY OF WILLCOX
REQUEST FOR COUNCIL ACTION**

Agenda Item: _____
Tab Number: _____
Date: _____

Date Submitted:
2-28-12
Date Requested:
3-5-12

Action:
 Resolution
 Ordinance
 Formal
 Other

**Subject: Rate Review of
the Solid Waste Rates
proposed for FY 13,
discussion and direction
to Staff as appropriate.**

TO: MAYOR AND COUNCIL

FROM: City Manager

DISCUSSION: Under City Code sections 5-6-2C "Purpose and Scope" and Section 5-6-7A "Establishment of Rates; the City Council is required to review and establish rates for the Solid Waste Fund each year prior to the end of April.

As part of that review the Staff has:

- 1) Reviewed the current financial status of the Fund, including current status and projected status through June 30, 2012;
- 2) Reviewed the changes to the contract with the City Contractor (Southwest Disposal) for collection (3% increase);
- 3) Reviewed the actual tonnage being delivered to the County Transfer Station and projected the estimated tonnage for FY13;
- 4) Reviewed the rates charged the City for tonnage delivered to the County transfer Station;
- 5) Reviewed the mix (number and type) of commercial accounts receiving Solid Waste Service through the City's Contract;
- 6) Reviewed the number of Residential Accounts;
- 7) Reviewed the distribution of tonnage by Residential and small Commercial (96 gallon containers) and other commercial accounts;
- 8) Reviewed other costs of operation of the Solid Waste Fund; and
- 9) Reviewed the long range impacts on the Solid Waste Fund.

The attached Spread sheets are intended to provide tools to use in reviewing the above information.

The change in the Consumer Price Index (CPI) for January 1, 2011 through December 31, 2011 was 3%.

RECOMMENDATION: Staff recommends adopting the "New Proposed FY 13 Rates" on "Rate Verification Table dated 2-28-12".

FISCAL IMPACT: The impact should be approximately \$664,107/yr to the Solid Waste Fund. This should be sufficient to fulfill all of the obligations of the City relating to the Solid Waste Fund.

The rate of increase to Residential and small business is approximately 1%, the rate for larger business is approximately 4% this is due to the distribution of tonnage.

Prepared by: Pat McCourt

Approved by:



City Manager

Tonnage by month and by year
Date of Sheet 2-28-12

Chart showing the monthly tonnage at the Willcox Transfer Station
Use this chart to project the tons per year for rate projection on the Solid Waste Fund

Month/year	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	total/month	
July	385.46	398.51	364.61	389.76	353.84	327.4	304.34	259.65										2763.57
August	401.17	436.79	389.18	414.11	343.14	296.15	337.42	296.56										2914.52
Sept	359.21	381.38	383.3	343.34	319.67	296.1	307.02	270.74										2660.78
Oct	330.15	353.87	365.61	384.75	309.18	283.02	282.13	265										2573.71
Nov	333.55	361.26	340.99	322.31	269.3	266.83	288.62	262.17										2445.03
Dec	314.17	363.7	324.23	322.85	325.95	275.11	285.58	273.05										2484.44
Jan	401.12	367.81	366.33	346.95	309.98	290.74	284.2											2367.13
Feb	336.1	306.71	313.4	327.24	266.8	271.76	246.29											2068.3
March	390.22	366.65	355.25	330.67	305.89	330.79	296.35											2375.82
April	382.86	338.23	354.79	323.82	284.02	285.03	278.59											2247.34
May	378.21	384.75	408.19	331.77	331.64	284.23	281.63											2400.42
June	354.28	367.51	356.83	290.2	316.67	307.02	265.76											2258.27
Total/yr	4346.5	4427.17	4322.71	4127.57	3736.08	3514.18	3457.93	1627.17	0	0	0	0	0	0	0	0	0	29559.31
								** 3400										

* change the denominator as each month is added
** projection for FY13 = 3400 tons

Avg per month *
345,44625
364,315
332,595
321,71375
305,62875
310,555
338,1614286
295,4714286
339,4028571
321,0485714
342,9171429
322,61
Avg per year
3939,865179

Rates Verification Table Solid Waste
Date of Sheet 2-28-12

Com Customer #	FY	Units or	New Rates for FY 12		FY 11 Rates		FY 10 Rates		FY 09 Rates		Monthly Income 1.5 yd	Annual Income 1.5 yd
			Rate	Volume	Rate	Volume	Rate	Volume	Rate	Volume		
1	1	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	1,720.18	5,161.41	
2	2	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	4,362.81	13,088.44	
3	3	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	5,841.81	17,525.43	
4	4	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	7,299.77	22,079.34	
5	5	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	8,757.73	26,272.87	
6	6	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	10,215.69	30,466.40	
7	7	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	11,673.65	34,660.00	
8	8	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	13,131.61	38,853.60	
9	9	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	14,589.57	43,047.20	
10	10	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	16,047.53	47,240.80	
11	11	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	17,505.49	51,434.40	
12	12	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	18,963.45	55,628.00	
13	13	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	20,421.41	59,821.60	
14	14	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	21,879.37	64,015.20	
15	15	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	23,337.33	68,208.80	
16	16	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	24,795.29	72,402.40	
17	17	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	26,253.25	76,596.00	
18	18	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	27,711.21	80,789.60	
19	19	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	29,169.17	84,983.20	
20	20	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	30,627.13	89,176.80	
21	21	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	32,085.09	93,370.40	
22	22	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	33,543.05	97,564.00	
23	23	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	35,001.01	101,757.60	
24	24	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	36,458.97	105,951.20	
25	25	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	37,916.93	110,144.80	
26	26	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	39,374.89	114,338.40	
27	27	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	40,832.85	118,532.00	
28	28	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	42,290.81	122,725.60	
29	29	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	43,748.77	126,919.20	
30	30	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	45,206.73	131,112.80	
31	31	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	46,664.69	135,306.40	
32	32	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	48,122.65	139,500.00	
33	33	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	49,580.61	143,693.60	
34	34	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	51,038.57	147,887.20	
35	35	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	52,496.53	152,080.80	
36	36	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	53,954.49	156,274.40	
37	37	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	55,412.45	160,468.00	
38	38	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	56,870.41	164,661.60	
39	39	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	58,328.37	168,855.20	
40	40	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	59,786.33	173,048.80	
41	41	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	61,244.29	177,242.40	
42	42	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	62,702.25	181,436.00	
43	43	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	64,160.21	185,629.60	
44	44	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	65,618.17	189,823.20	
45	45	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	67,076.13	194,016.80	
46	46	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	68,534.09	198,210.40	
47	47	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	70,000.00	202,404.00	
48	48	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	71,465.96	206,597.60	
49	49	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	72,931.92	210,791.20	
50	50	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	74,397.88	214,984.80	
51	51	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	75,863.84	219,178.40	
52	52	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	77,329.80	223,372.00	
53	53	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	78,795.76	227,565.60	
54	54	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	80,261.72	231,759.20	
55	55	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	81,727.68	235,952.80	
56	56	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	83,193.64	240,146.40	
57	57	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	84,659.60	244,340.00	
58	58	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	86,125.56	248,533.60	
59	59	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	87,591.52	252,727.20	
60	60	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	89,057.48	256,920.80	
61	61	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	90,523.44	261,114.40	
62	62	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	91,989.40	265,308.00	
63	63	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	93,455.36	269,501.60	
64	64	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	94,921.32	273,695.20	
65	65	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	96,387.28	277,888.80	
66	66	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	97,853.24	282,082.40	
67	67	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	99,319.20	286,276.00	
68	68	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	100,785.16	290,469.60	
69	69	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	102,251.12	294,663.20	
70	70	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	103,717.08	298,856.80	
71	71	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	105,183.04	303,050.40	
72	72	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	106,649.00	307,244.00	
73	73	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	108,114.96	311,437.60	
74	74	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	109,580.92	315,631.20	
75	75	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	111,046.88	319,824.80	
76	76	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	112,512.84	324,018.40	
77	77	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	113,978.80	328,212.00	
78	78	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	115,444.76	332,405.60	
79	79	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	116,910.72	336,599.20	
80	80	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	118,376.68	340,792.80	
81	81	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	119,842.64	344,986.40	
82	82	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	121,308.60	349,180.00	
83	83	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	122,774.56	353,373.60	
84	84	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	124,240.52	357,567.20	
85	85	4.33	182.26	4.33	182.26	4.33	182.26	4.33	182.26	125,706.48	361,760.80	
86	86	4.33	182.26	4								

Solid Waste Fund Projection Sheet
2/28/2012

	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Opening Balance (OBO)	-22405	-15542	3555	43,013	59,325	82,672	88,385	90,072	124,925	157,209	186,614	212,810	235,441
Operating Income	553252	569339	562360	548,260	655,000	664,107	684,030	704,551	725,688	747,458	769,882	792,978	816,768
Service Fees					4,744	4,886	5,033	5,184	5,339	5,500	5,665	5,835	6,010
Penalty Fees						827	884	901	1,249	1,572	1,866	2,128	2,354
Interest	0	0	0	0	593	0	0	0	0	0	0	0	0
Misc	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Income	553252	569339	562360	548,260	660,337	669,820	689,947	710,636	732,276	754,530	777,413	800,941	825,132
Daily Operating Costs	508301	502179	297394	299,655	333,692	328,655	338,515	348,670	359,130	369,904	381,001	392,431	404,204
Contract Services 3%			172708	173,410	167,367	176,800	187,408	196,778	206,617	216,948	227,796	239,185	251,145
Tipping fees	48000	48000	52800	52,800	100,132	122,853	126,539	130,335	134,245	138,272	142,420	146,683	151,094
Overhead 3%	0	0	0	0	35,799	35,799	35,799	0	0	0	0	0	0
loan repay/OBO	3814	63	0	6,083	0	0	0	0	0	0	0	0	0
Other programs/costs													
Total Operating Costs	560115	550242	522902	531,948	638,980	664,107	688,260	675,783	699,992	725,124	751,217	778,310	806,443
OBO next year	-15542	3555	43013	59,325	82,672	88,385	90,072	124,925	157,209	186,614	212,810	235,441	254,131

GF Loan	107397	107397	107397	107397	107397	71598	35799
Loan Repay	0	0	0	35799	35799	35799	35799
Balance owed	107397	107397	107397	71598	35799	0	0

Over all Rate Increase 1.194689 1.013903817 1.03 1.03 1.03 1.03 1.03 1.03 1.03 1.03 1.03 1.03 1.03

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Tipping Rate	50	50	51	52	53	53	53	53	53	53	53
Tons	3454	3592.16	3738	3400	3536	3712.8	3898.44	4093.362	4298.03	4512.992	4738.578
Total Tipping fees/yr	172700	178608	190536	176800	187408	196778.4	206817.3	216948.2	227795.6	239185.4	251144.6

Assumes a 3% inflation rate - however after FY 14-15 it appears rate increases may be less than rate of inflation; assuming all other factors remain unchanged.

Assumes same number and mix of customers

Assumes a OBO goal of 3 months operating cost reached at end of FY 14-15

FY 13 tons set at 3400 based on actual. Assumes tons increase by 4%/yr for FY14. Then 5%

Contract services must be rebid in FY19-20, current contract includes a Cost of Living Adjustment annually.

Tipping Fees & Contractor services not separated prior to FY 09-10

Interest is 1% of fund balance (OBO)