



County of Los Alamos

Los Alamos, NM 87544
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Council Meeting Staff Report

June 6, 2017

Agenda No.:	A.
Indexes (Council Goals):	2018 Council Goal – Quality Governance – Operational Excellence – Maintain Quality Essential Services and Supporting Infrastructure Including Updated Enterprise Software and Permitting
Presenters:	Philo Shelton; Angelica Gurule; John Bliss
Legislative File:	CO0499-17

Title

Incorporated County of Los Alamos Code Ordinance No. 02-274; an Ordinance Amending Chapter 32, Section 32-18, Refuse Recycling and Solid Waste Facility Fees and ask staff to ensure that it is published as provided in the County Charter.

.Recommended Action

I introduce, without prejudice, Incorporated County of Los Alamos Code Ordinance No. 02-274; An ordinance amending Chapter 32, Section 32-18, Refuse Recycling and Solid Waste Facility Fees and ask staff to ensure that it is published as provided in the County Charter.

County Manager's Recommendation

The County Manager recommends that Council introduce this Code Ordinance.

Board, Commission or Committee Recommendation

The Environmental Sustainability Board has reviewed and approved the proposed changes in Chapter 32, Section 32-18, Refuse Recycling and Solid Waste Facility Fees.

Body

The proposed changes in Chapter 32, Section 32-18, Refuse Recycling and Solid Waste Facility Fees are based upon recommendations from the Environmental Services staff and approved by the Environmental Sustainability Board for County Council's consideration. The Environmental Services Division needs to adjust rates in order to cover the costs of waste handling and disposal, and recycling services.

Environmental Services rates were last adjusted in August of 2015 that covered fiscal years 2016 and 2017. Environmental Gross Receipts Taxes (EGRT) are used to cover deficiencies of the cost to serve the operation, landfill post-closure care, payment for the Transfer Station Loan, and will cover the capital costs to revamp the brush collection program. With the 22% reduction of EGRT since its peak in 2011, and the need to use EGRT to support additional costs related to the landfill closure and any future capital projects for Environmental Services, the goal of the division is to better align rates with the cost of service.

The Environmental Sustainability Board recommended residential rates be increased 13.6%, and commercial service increased by 3% to better align rates with true cost of service and not use EGRT to support or subsidize the cost of service. The Eco Station rates are recommended to have a 3% increase to recover the annual escalation costs for hauling and tipping fees to the Rio Rancho landfill. There is a rate elimination for cardboard to provide an incentive to increase the amount of material recycled by accepting cardboard for free at the Eco Station and reducing in the cardboard dumpster rental fee from \$10.15 per month to zero dollars per month. Also the cost to handle animal mortalities has been significantly decreased to align with the true cost of service. Finally, the roll-off service has been revised as a bundle package to be more user friendly and competitive with the surrounding market.

The proposed rates will enable Environmental Services to continue moving forward on the Council goal to "enhance environmental quality and sustainability balancing costs and benefits including County services and utilities." Environmental Services offers not only waste collection services, it offers enhanced recycling services, household hazardous waste, and brush collection.

Attachment B presents the cost of service for both residential and commercial customers, and provides rates from neighboring agencies by way of comparison. Many of our neighboring agencies do not offer complete recycling services which makes it difficult to compare. For trash services only, Environmental Services proposed rates are competitive with neighboring agencies.

Alternatives

Council could choose not to approve the increase in fees; however, it should be noted that the current rate structure does not cover the expense of delivering current services. Council could choose to reduce services or eliminate services such as household hazardous waste, electronic recycling, or brush collection; however, these services are popular with residents.

..Fiscal Impact

At the completion of the first year the proposed rate change, it is projected to increase revenues by \$326,400 annually. The proposed rate change will close the gap, allowing services to be delivered at the true cost of service approach, while approaching a neutral budget when matching anticipated revenues with estimated expenses.

Attachments

A - Incorporated County of Los Alamos Code Ordinance No. 02-274

B - Environmental Services 2017 Proposed Rate Change Presentation