

j. Solid Waste Disposal Rate Increase

TRANSMITTAL MEMORANDUM

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TO: The Honorable Mayor & City Council

FROM: Delilah A. Walsh, City Manager

Initials:



DATE: March 1, 2024

File #: MGR24-122

RE: Solid Waste Disposal Rate Increase

Pursuant to the Ketchikan Municipal Code §7.16.072(b) and in accordance with Acting Public Works Director Amanda Robinson's recommendation as outlined in her memorandum dated February 8, 2023, this document serves as my directive to adopt new solid waste fees herein attached.

KMC Section 7.16.072(b) states:

"Solid Waste Fee Adjustment. The solid waste fee schedule established under subsection (a) of this section shall be adjusted annually in an amount equal to the increase or decrease in the city's contractual costs for solid waste transport and disposal services and recyclable material transportation processing services as determined by the finance and public works directors and approved by the finance and public works directors and approved by the City Manager."

Please be advised that the attached document outlines a new solid waste disposal fee structure that reflects the increased costs for disposal and shipping imposed by Regional Disposal Company. This does not constitute a service rate increase for the City of Ketchikan, but rather a direct pass-through of additional charges incurred from our contracted waste management provider.

PUBLIC WORKS / ENGINEERING DEPARTMENT
Mark Hilson, P.E., Public Works Director
Kara Jurczak, P.E., Assistant Public Works Director

CITY OF KETCHIKAN
Administrative Offices
PH: 907.228.4727
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MEMORANDUM

TO: Delilah Walsh, City Manager

FROM: Amanda Robinson, AIA, Acting Public Works Director
Brian Gilson, Acting Solid Waste Superintendent

CC: Michelle Johansen, Finance Director

DATE: February 8, 2024

SUBJECT: **2024 Solid Waste Disposal Rate Increase**

At its meeting of March 19, 2020, City Council approved an Agreement extending and modifying Contract 14-37, Solid Waste Transport and Disposal Services and Recyclable Material Transport Processing Services between the City of Ketchikan and Regional Disposal Company (RDC), which significantly increased fees paid to RDC for disposal and recycling processing and pass through shipping costs from Alaska Marine Lines (AML). This contract also provided for automatic increases based on the Water Sewer Trash Price Index (for RDC's Disposal) and 120% of Consumer Price Index (CPI) plus fuel surcharges for AML's shipping. In response to the automatic increases, City Council adopted Ordinance 20-1919 which provided for shipping and disposal pass through annual fee increases at an administrative level as approved by you as City Manager.

The increased costs associated with this Contract were absorbed by the Solid Waste Division until the end of 2020 when rate increases were adopted with the adoption of Resolution 20-1919.

RDC's disposal rates and AML shipping rates have risen 5% for 2024. These two contracted costs represent about 55% of the Solid Waste Disposal Budget. The Solid Waste Disposal Division Budget cannot absorb these increases and remain solvent. The cost of this contracted service is paid primarily through fees collected through the residential area wide fee, billed to all residential dwelling units within the Borough (including the City), but also through tipping fees for waste not covered by the residential area wide fee.

Public Works staff intends to notify staff at the Ketchikan Gateway Borough of the increase in the Non-Area Wide Community Solid Waste Disposal Fee increase in accordance with our inter-municipal Agreement so that the Borough can place this item before the Borough Assembly for their consideration.

Recommendation

It is recommended that the City Manager adopt the new Solid Waste Disposal Fees as shown in attachment.

Attachments:

Ordinance NO. 20-1919
2024 Solid Waste Disposal Fees

SOLID WASTE DISPOSAL FEES

		Old Rate	New Rate
Per Ton Charge		\$192.10	\$201.70
Minimum Charge	If under 500 LBS.	\$18.50	\$19.25
Area Wide Fee, Disposal Fee		\$22.45	\$23.57

The following are included in the residential area wide fee; all others pay the scale rate.

- | | |
|----------------------------|--|
| •Household Waste | •Tires off the Rim |
| •Household Hazardous Waste | •Yard Waste |
| •Appliances | •Recyclables, Cardboard, Glass, Aluminum |

Commercial Waste	Per Ton	\$192.10	\$201.70
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Commercial Hazardous Waste	If type and volumes are acceptable, then actual cost of disposal plus 10% for Administration
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Commercial Appliances	Per Appliance - with certificate stating refrigerants have been drained	\$27.50
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Demolition or Construction Waste	Per Ton - All Customers	\$192.10	\$201.70
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Wood or Metal Waste	Per Ton - All Customers	\$192.10	\$201.70
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Tanks or 55 gallon Drums	Per Ton - Call for instructions	\$192.10	\$201.70
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The following are included in the residential area wide fee; all others pay the scale rate.*

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|----------------------------|--|
| •Household Waste | •Tires off the Rim |
| •Household Hazardous Waste | •Yard Waste |
| •Appliances | •Recyclables, Cardboard, Glass, Aluminum |
| •Annual Spring Clean-Up | •Green Waste |

***Household Hazardous Waste customers who do not pay the area wide fee pay \$1 per pound**

THE CITY OF KETCHIKAN, ALASKA

ORDINANCE NO. 20-1919

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KETCHIKAN, ALASKA; REPEALING SUBSECTIONS (c) AND (d) OF KETCHIKAN MUNICIPAL CODE SECTION 7.16.060 ENTITLED, "SOLID WASTE COLLECTION;" AMENDING SUBSECTION (a) AND REPEALING SUBSECTIONS (d) THROUGH (h) OF KETCHIKAN MUNICIPAL CODE SECTION 7.16.070 ENTITLED, "SOLID WASTE DISPOSAL;" ADDING NEW SECTION 7.16.072 TO THE KETCHIKAN MUNICIPAL CODE ENTITLED, "SOLID WASTE COLLECTION AND DISPOSAL FEES;" ADDING A NEW SECTION 7.16.074 TO THE KETCHIKAN MUNICIPAL CODE ENTITLED "SOLID WASTE COLLECTION AND DISPOSAL BILLINGS;" AND ESTABLISHING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF KETCHIKAN, ALASKA, AS FOLLOWS:

Section 1. **Repeal.** Subsections (c) and (d) of Ketchikan Municipal Code Section 7.16.060, entitled "Solid waste collection fees" are hereby repealed in their entirety.

Section 2. **Amendment.** Subsection (a) of Ketchikan Municipal Code Section 7.16.070, entitled "Solid waste disposal," is hereby amended to read as follows:

"(a) Ketchikan Solid Waste Handling and Recycling Facility. The city of Ketchikan's solid waste handling and recycling facility is designed, constructed and operated primarily for the handling and disposal of mixed municipal solid waste by baling and shipping of non-inert waste and recycling or landfilling of inert waste. Methods for operations of the facility and policies for acceptance and disposal of solid wastes are matters within the sole discretion of the city of Ketchikan. Waste other than mixed municipal waste or inert waste may be accepted with condition or prohibited. The following items are prohibited: trees and root wads, soil with organics, metals, and hazardous materials, fuel tanks which have not be properly cleaned or ends not removed, and tires from heavy truck and equipment."

Section 3. **Repeal.** Subsections (d), (e), (f), (g) and (h) Ketchikan Municipal Code Section 7.16.070, entitled "Solid waste disposal", are hereby repealed in their entirety.

Section 4. **New Section.** A new section, to be numbered 7.16.072, entitled "Solid Waste Collection and Disposal Fees," is added to Title 7, Chapter 16, of the Ketchikan Municipal Code, to read as follows:

"7.16.072 Solid Waste Collection and Disposal Fees.

(a) Establishment of a Solid Waste Fee Schedule. A Solid Waste Fee Schedule for solid waste collection and disposal fees shall be as established by resolution of the council.

(b) Solid Waste Fee Adjustment. The Solid Waste Fee Schedule established under subsection (a) of this section shall be adjusted annually in an amount equal to the increase or decrease in the City's contractual costs for solid waste transport and disposal services and recyclable material transportation processing services as determined by the finance and public works directors and approved by the city manager.

(c) Solid Waste Collection Fee for Residential Accounts. All residential accounts will be assessed and charged according to the Solid Waste Fee Schedule for the collection of household solid waste. The owner of the residential dwelling unit shall be responsible for solid waste collection fees which are not paid by the occupant.

(d) Solid Waste Collection Fee for Commercial Accounts. Unless otherwise negotiated and agreed to by the city, commercial accounts for which the city provides solid waste collection services shall be charged according to the Solid Waste Fee Schedule. The owner of the commercial property shall be responsible for solid waste collection and disposal fees which are not paid by the occupant. All past due fees for a location shall be paid prior to opening a new account for that location. Solid waste collection fees for commercial accounts shall include the cost for disposal.

(e) Multiple Residential Dwelling Commercial Accounts. Multiple residential dwelling unit complexes which have established commercial accounts for collection and disposal of household solid waste shall be eligible for a solid waste residential credit equal to \$1.89 times the number of cans of residential solid waste collected from the residential dwelling units. The credit shall represent disposal costs for household solid waste paid for through the community solid waste disposal fee identified in subsection (f) of this section. The solid waste residential credit application, terms and conditions shall be subject to approval by the city public works and city finance departments. The solid waste residential credit shall be posted on a monthly basis, in arrears, and shall be based on the number of multiple residential units listed in the application for the solid waste residential credit on file with the city finance department.

(f) Community Solid Waste Disposal Fee. All owners or occupants of residential dwelling units shall pay a community solid waste disposal fee as established by the Solid Waste Fee Schedule, which shall be billed and collected in the same manner as the solid waste collection fee unless otherwise determined by the city manager. The community solid waste disposal fee shall be charged to all residential dwelling units. Regardless of the amount of solid waste, if any, generated by any particular residence, in order to protect the public health, safety and welfare and to enhance the environment of the people of the city of Ketchikan. Suspension of the community solid waste disposal fee will not be permitted for absences or vacancies.

(g) Landfill Disposal Fee. Solid waste separated in accordance with section 7.16.070(c) and delivered to the municipal landfill shall be charged a landfill disposal fee as set forth in the Solid Waste Fee Schedule; notwithstanding, however, the director of public works or his designee may increase or decrease the landfill disposal fee if, in his opinion, acceptance of such solid waste would create additional costs or be a benefit to the operations of the landfill:

(1) Materials requiring incineration, actual cost of incineration plus 10 percent for administration.

(2) Thrift Store Waste.

(A) No charge to thrift stores for the disposal of solid waste left at the thrift store by other persons which is not accepted by the thrift store for resale.

(B) To qualify for no charge disposal under subsection (A) of this section, the thrift store must first obtain a thrift store identification card from the city clerk upon proof the store is qualified as a thrift store under this chapter and present such card at the time of disposal.

(C) Except as provided in subsection (g)(2) of this section thrift stores are subject to the applicable solid waste disposal fees for all other waste.

(h) Solid waste collectors, excluding the city of Ketchikan, which have established accounts for collection and disposal of household solid waste for persons paying the solid waste disposal fee, shall be eligible for a solid waste residential credit equal to \$1.89 times the number of cans of residential solid waste collected from the residential dwelling units. The credit shall represent disposal costs for household solid waste paid for through the community solid waste disposal fee identified in subsection (c) of section 7.16.070. The solid waste residential credit shall be posted on a monthly basis, in arrears after receiving a monthly report detailing the number of residential accounts served and the number of residential cans collected. The report format shall be pre-approved by the city public works director and shall be due on or before the tenth of each month. Upon the request of the city public works director, solid waste collectors shall provide all records needed to verify the monthly reports.

(i) In the event the scales at the municipal landfill are not operational, the solid waste disposal fee shall be based on an estimate of the number of cubic yards of solid waste, as determined by the city. Compacted solid waste shall be charged \$55.00 per cubic yard and non-compacted solid waste shall be charged \$18.00 per cubic yard.”

Section 5: **New Section.** A new section, to be numbered 7.16.074, entitled “Solid Waste Collection and Disposal Billings,” is added to Title 7, Chapter 16, of the Ketchikan Municipal Code, to read as follows:

“(a) Billings for residential accounts will be mailed or delivered to the same name and address as appears on the residential electrical account serving the residence, except for instances when two or more dwelling units are served by one electrical account or if the residential dwelling unit does not receive electrical service, in which case each residential dwelling unit will be billed separately. Billing for household solid waste collection services shall be on a monthly basis, commencing with the date of residential dwelling occupancy or beginning date of the residential unit’s electrical account, whichever is earlier. Failure to receive a bill does not relieve the owner/occupant of responsibility for the charges.

(b) The city manager is authorized to negotiate special billing rates, terms and condition for the collection of commercial accounts.

(c) All monthly bills for services rendered are due and payable within 25 days after the billing date, and if not paid, become delinquent and the account shall be deemed in default. Accounts in default shall be assessed a penalty of five percent. Billings delinquent in excess of 120 days may be turned over to a collection agency.


(d) In the event of overcharges or undercharges for solid waste collection and disposal services, adjustments will be limited to the most recent six-month period prior to discovery and notification of the error.

(e) All solid waste disposal fees assessed at the municipal landfill are due and payable as services are rendered unless a commercial or project account has been established with the city. All commercial and project accounts shall be subject to review and approval by the city finance department in accordance with generally accepted credit practices.”

Section 6: **Effective Date.** Following its final passage and publication, this ordinance becomes effective December 1, 2020.

PASSED ON FIRST READING September 17, 2020.

FINAL PASSAGE October 1, 2020.


Robert Sivertsen, Mayor

ATTEST:


Kim Stanker, MMC
City Clerk

EFFECTIVE DATE: December 1, 2020			
ROLL CALL	YEA	NAY	ABS
BERGERON	X		
COOSE	X		
FLORA	X		
GAGE	X		
CHAPEL	X		
KIFFER	X		
ZENGE	X		
MAYOR			