



Action Requested/Required:

- Vote/Action Requested
- Discussion or Presentation Only
- Public Hearing
- Report Date: _____
- Hearing Date: _____
- Voting Date: _____

Department: City Management **Presenter(s) & Title:** Nathan Ingram, Assistant City Manager
Waste Pro Representative will be Present

Agenda Item Title:

Discussion and Possible Approval of Fuel Surcharge on Sanitation Rates - Waste Pro

Summary:

Given the current economic environment and the rising costs of fuel, Waste Pro has approached the City with a request to add a 'Fuel Surcharge' on residential sanitation charges throughout the City. Waste Pro has indicated as a reason, not only the rising cost of fuel, but also the fact that landfills have been adding a fuel surcharge to their dumping charges as well. The City's Franchise Agreement with Waste Pro for residential sanitation services, requires Waste Pro to obtain the City's approval for any such charges to the residents; as identified in section 5.2 of the franchise agreement, copy attached.

It also worth noting that the agreement states that the approval for such request, "...shall not be unreasonably withheld." Section 5.2(b)(ii) indicates that extraordinary fuel rate increases would potentially justify the request.

Standard curbside rate is just less than \$20/month. Therefore, this surcharge would increase the monthly cost ~\$3.

Budget Implications:

Budgeted? Yes No N/A

Total Cost of Project: Check if Estimated

Fund Source: General Fund Water & Sewer Sales Tax Other:

Staff Recommendations:

Staff asks for Council to consider: Motion to approve a 15% Fuel Surcharge for residential Sanitation Fees within the City of Canton

Reviews:

Has this been reviewed by Management and Legal Counsel, if required? Yes No

Attachments:

Section 5.2 from the current Agreement for Solid Waste Collection Services

5.1 Rates of Compensation for the first year shall be set forth in Exhibit A, attached hereto and made a part hereof.

5.2 Adjustments to the rates:

(a) Annual Changes in Collection Price: Compensation payable to Contractor for all services hereunder shall be adjusted upward or downward annually to reflect changes in the cost of doing business measured by fluctuations in the Consumer Price Index (CPI) for All Urban Consumers: Water, Sewer and Trash Collection Services (CUUR0000SEHG) as published by the U.S. Department of Labor, Bureau of Labor Statistics. Annually, on the anniversary date of this Agreement, the net change in collection rates shall reflect such increase or decrease in the CPI as defined above for the last calendar year. Adjustment will be based upon 12-month average (month)over (month) of the current year to the previous year.

(b) Rate Adjustments Due to Significant Changes:

- (i) Any change in Governmental laws, ordinances, regulations, assessments, fees, or taxes that require Contractor to incur additional costs in the performance of services pursuant to this Agreement (Changes in Law), including changes in disposal fees.
- (ii) Extraordinary fuel rate increases.

In the event that any of the above events occur, Contractor shall determine the amount of rate adjustment required to compensate Contractor for the additional, fully justifiable costs and shall petition the City for the rate adjustment, which approval shall not be unreasonably withheld. Contractor agrees to continue solid waste collection and disposal services during any dispute with the City until any dispute is resolved and the City and Contractor agree to adjusted rates of compensation.

5.3 Billing

Contractor will directly bill residents quarterly for services to be performed. Contractor will provide options for residents to pay online or by mail.

5.4 Delinquent and Closed Accounts

The Contractor may discontinue refuse and recycling collection service at any Residential Unit that has failed to pay for service or as set forth in a written