

COUNCIL COMMUNICATION

15

TO: THE CITY COUNCIL
FROM: THE CITY MANAGER'S OFFICE

DATE: December 17, 1986

NO:

SUBJECT: HARNEY LANE SANITARY LANDFILL GATE FEES

PREPARED BY: City Manager

RECOMMENDED ACTION: That the City Council review the alternatives for the implementation of the Harney Lane Sanitary Landfill gate fee and take action as deemed appropriate.

BACKGROUND INFORMATION: At its regular meeting of July 2, 1986, the City Council unanimously adopted a resolution approving an agreement with the County of San Joaquin providing for the implementation of a gate fee at the Harney Lane Sanitary Landfill. A copy of this agreement is attached (Exhibit A). The agreement provides, among other things, that the gate fee of \$2.00 per cubic yard for industrial waste brought to the Harney Lane Sanitary Landfill be effective on the date of the execution of the agreement (July 8, 1986). The agreement further provides that the same gate fee be applied to residential and commercial waste generated within the City limits and brought to the Harney Lane Sanitary Landfill for disposal no later than December 31, 1986. This gate fee is in lieu of the present 7% of refuse bill revenue collected by the City which is remitted to San Joaquin County for dump charges.

The delay in the implementation of the gate fee for residential and commercial customers was granted by the County at the City of Lodi's request to permit the City time to undertake the first-ever comprehensive review and evaluation of the operations of the City's contract hauler, Sanitary City Disposal Company. One of the purposes of the study was to determine the need for rate adjustments in addition to the gate fee. To conduct this study, the City Council, at its regular meeting of June 4, 1986, retained the consulting firm of Eljumbly-Butler Associates of Santa Rosa, experts in the field of waste management. For a variety of reasons, not the least of which is the complexity of the assignment, the drafts of the study, along with a proposed ordinance and franchise agreement were delivered to the City just delivered to the City within the last two weeks. Assistant City Manager Jerry Glenn has spent considerable time reviewing the contents of same with the consultant. There remains to be accomplished discussion with Mr. Dave Vaccarezza of Sanitary City Disposal Company before the final results of the study can be transmitted to the City Council. Hopefully, this will occur sometime in February, 1987.

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In the meantime, in accordance with the terms and conditions of the agreement between the City and the County of San Joaquin, the \$2.00 per cubic yard gate fee will be charged on residential and commercial refuse taken to the Harney Lane Sanitary Landfill for Disposal effective December 31, 1986. This equates to approximately 38 cents on the first can and 18 cents on the second can. This represents a 7.8% adjustment which should also be applied to all commercial rates. In addition, we are aware that Sanitary City Disposal Company will be approaching the City Council for an overall rate adjustment in the immediate future. The draft report prepared by the City's waste management consultant includes a recommendation for such an adjustment. To minimize confusion for the rate payer, it is preferred that whatever rate adjustments are to be implemented, be placed in effect at the same time (gate fee and Sanitary City Disposal Company request).

Several alternate approaches have surfaced as staff has reviewed this issue. These are:

1. request of the County an additional time extension for the implementation of the gate fee on residential refuse

COMMENT: This is really not a practical alternative. In the first place, the County most assuredly would deny the request. The six-month delay in this implementation was an accommodation on the County's part. Everyone in the County, including Lodi's industrial community is paying a per cubic yard gate fee with the exception of Lodi's residential and commercial communities.

2. implement the \$2.00 per cubic yard gate fee effective December 31, 1986 in accordance with the terms and conditions of the July 2, 1986 agreement between the City of Lodi and the County of San Joaquin

COMMENT: This would result in, assuming the City Council ultimately grants a rate adjustment in response to the anticipated request for same from Sanitary City Disposal Company, two separate garbage rate increases which is to be avoided if possible.

3. the City pay to the County the gate fee as billed effective December 31, 1986 until such date as the City Council acts on the implementation of the gate fee and appears on the utility bill

COMMENT: This would cost the City approximately \$14,000 per month until the gate fee is placed in effect. The City would not recover this expenditure. This is not in the best interests of the City nor does it represent sound utility management. In addition, the City Attorney has some concern that this could be interpreted as a gift of public funds.

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4. the City pay to the County the gate fee as billed effective December 31, 1986 until such date as the City Council acts on the implementation of the gate fee and it appears on the utility bill with the proviso that any adjustment in the garbage rate include the repayment to the City over an appropriate period, one or two years perhaps, of any expenditure made by the City in satisfying the gate fee in the interim

COMMENT: This gives the City Council time to carefully evaluate the entire garbage rate picture, perhaps devoting one or more shirtsleeve sessions to this review prior to arriving at a decision. In addition it provides for the ultimate recovery of expenditures made by the City in meeting the gate fee charge.

It is the staff recommendation that the City Council opt for the last alternate. The staff will be prepared to discuss this matter in detail at Wednesday night's meeting and answer any questions Councilmembers may have.

Respectfully submitted,



Thomas A. Peterson
City Manager

TAP:br

attachment

RESOLUTION NO. 86-187

A RESOLUTION OF THE LODI CITY COUNCIL
IMPLEMENTING HARNEY LANE SANITARY LANDFILL GATE FEES

WHEREAS, at its regular meeting of July 2, 1986, the City Council adopted a resolution approving an agreement with the County of San Joaquin providing for the implementation of a gate fee at the Harney Lane Sanitary Landfill; and

WHEREAS, said agreement provides, among other things, that the gate fee of \$2.00 per cubic yard for industrial waste brought to the Harney Lane Sanitary Landfill be effective on the date of the execution of the agreement (July 8, 1986); and

WHEREAS, said agreement further provides that the same gate fee be applied to residential and commercial waste generated within the City limits and brought to the Harney Lane Sanitary Landfill for disposal no later than December 31, 1986; and

WHEREAS, the delay in the implementation of the gate fee for residential and commercial customers was granted by the County at the City of Lodi's request to permit the City time to undertake a review and evaluation study of the City's contract hauler, Sanitary City Disposal Company, which study in part is to determine the need for rate adjustments in addition to the gate fee. The City Council at its regular meeting of June 4, 1986 retained as consultants for the preparation of said study, Eljumaily-Butler Associates of Santa Rosa, and said study is no yet fully completed; and

WHEREAS, in accordance with the terms and conditions of the agreement between the City and the County of San Joaquin, the \$2.00 per cubic yard gate fee will be charged on residential and commercial refuse taken to said Landfill by the City effective December 31, 1986; and

WHEREAS, the City Council has reviewed several alternate approaches to be used in the implementation of said gate fee and has agreed on the alternate that they feel is in the City's best interests;

NOW, THEREFORE, BE IT RESOLVED that the City pay to the County the gate fee as billed effective December 31, 1986 until such date as the City Council acts on the implementation of the gate fee and it appears on the utility bill with the proviso that any adjustment in the garbage rate include the repayment to the City over an appropriate period of time any interim expenditure made by the City in satisfying the gate fee.

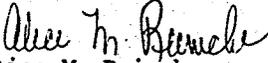
Dated: December 17, 1986

I hereby certify that Resolution No. 86-187 was passed and adopted by the City Council of the City of Lodi in a regular meeting held by the following vote:

Ayes: Council Members - Olson, Pinkerton, Snider,
Hinchman, and Reid (Mayor)

Noes: Council Members - None

Absent: Council Members - None


Alice M. Reinche
City Clerk