



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 16-18

City Council

9/13/2018

LEGISLATIVE ACTION ITEM

SPONSOR: Ashton J. Hayward, III, Mayor

SUBJECT:

PROPOSED ORDINANCE NO. 16-18 - AMENDMENT TO SECTION 4-3-97, SANITATION COLLECTION FEE AND EQUIPMENT SURCHARGE

RECOMMENDATION:

That City Council adopt Proposed Ordinance No. 16-18 on second reading.

AN ORDINANCE AMENDING SECTION 4-3-97 OF THE CODE OF THE CITY OF PENSACOLA, FLORIDA; PROVIDING FOR INCREASE IN SANITATION FEES AND SANITATION EQUIPMENT SURCHARGE; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

HEARING REQUIRED: No Hearing Required

SUMMARY:

Section 4-3-97 of the City Code provides for an automatic adjustment to the monthly sanitation rate each October 1st in accordance with the Consumer Price Index (CPI) for the twelve month period ending March 31st of the current year. The CPI for that period was +2.4% which amounts to an increase of fifty-eight cents and would set the new rate at \$24.64 per month. This increase would allow for full funding of the Sanitation Services operation as budgeted in the FY 2019 Proposed Budget.

Additionally, in accordance with the rate study completed in 2016, City Council approved the implementation of a sanitation equipment surcharge to fund capital equipment replacement. The surcharge was initially set at \$1.00 effective June 1, 2017 with an increase to \$2.00 scheduled to take effect on October 1, 2018. Beginning October 1, 2019 and each October 1 thereafter, this surcharge will be adjusted based on changes in the CPI as previously described.

PRIOR ACTION:

May 11, 2017 - City Council adopted Ordinance No. 10-17 adjusting the monthly sanitation rate to \$24.06 and implementation of the sanitation equipment surcharge.

August 9, 2018 - City Council voted to approve Ordinance No. 16-18 on first reading.

FUNDING:

N/A

FINANCIAL IMPACT:

Approval of the proposed ordinance would set the sanitation rate at \$24.64 per month, a 58¢ per month increase and would set the sanitation equipment surcharge at \$2.00 per month, a \$1.00 per month increase, effective October 1, 2018 upon adoption on second reading. The increase in the sanitation rate is projected to generate an additional \$101,400 annually in additional Residential Refuse Container Charges and the sanitation equipment surcharge is projected to generate an additional \$235,400 annually for capital equipment expenditures both of which have been incorporated in the FY 2019 Proposed Budget.

CITY ATTORNEY REVIEW: Yes

7/23/2018

STAFF CONTACT:

Keith Wilkins, City Administrator
Richard Barker, Jr., Chief Financial Officer
Doug Resmondo, Acting Sanitation Services and Fleet Management Director

ATTACHMENTS:

- 1) Proposed Ordinance No. 16-18

PRESENTATION: No