



## THE CITY OF KEY WEST

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MEMORANDUM

**TO:** Greg Veliz , City Manager  
**Cc:** Patti McLauchlin, Asst. City Manager  
**FROM:** John Paul Castro, Utilities Director  
**DATE:** October 19, 2019

**SUBJECT: Amending Section 58-65 of the Code of Ordinances, Establishment of Residential Solid Waste Rates**

**Action statement:**

Staff request amending section 58-65, residential rates, establishing solid waste residential rates each year by resolution of the City Commission.

**Background:**

City of Key West solid waste ordinance was amended in 2013 to establish residential rates to be assessed as a non-ad valorem tax. The ordinance was written so that rate increases that exceed CPI-U require an ordinance change.

**Purpose and Justification:**

Requiring and ordinance change for increases above CPI-U creates a burden for both staff and the City Commission. Ordinance amendments require two readings. The rate for non-ad valorem also requires a preliminary resolution and final resolution.

A rate increase that exceeds CPI-U for solid waste will require 4 consecutive commission hearings, and that's only if deliberation does not dictate a rate change that differs from staff recommendation or an adjustment to the rate during the process which would require starting over.

The utility assessment rolls must be delivered to the tax collector prior to September 15. Starting the process 4 meetings prior to September 15 would require hearing staffs proposed rate in late June or early July to give a proper buffer for adjustments from commission direction. Starting the final budget process for solid waste at the same time as the first budget workshops does not allow for necessary staff and commission coordination of the funds budget. The current ordinance also requires staff to base the adjustment on the June CPI-U data which is not published until July, further tightening the

*Key to the Caribbean – Average yearly temperature 77° F.*

approval schedule.

Amending the ordinance to only require commission resolution would create consistent ordinances for both non-ad valorem utilities. The recommended ordinance language would remove the lengthy ordinance amendment requirement necessary every year as written currently for rates above CPI-U. This will allow more time for staff and the commission to work together on the solid waste budget.

This ordinance amendment was also recommended by the city's consultant Government Services Group.

**Options:**

- 1) The City Commission may choose not to amend the solid waste ordinance. This requires large lead times that strain the budget process.
- 2) The City Commission can approve the recommended amendment to ordinance 58-65. This will allow the solid waste rate to be codified each year without requiring the commission to approve the rate in 4 separate meetings.

**Financial Impact:**

There is no financial impact by amending this ordinance.

**Recommendation:**

Staff recommends option #2, amending code of ordinances section 58-65, solid waste residential rates.