



## THE CITY OF KEY WEST

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MEMORANDUM

### EXECUTIVE SUMMARY

**TO:** Bogdan Vitas, City Manager  
E. David Fernandez, Asst. City Manager - Operations

**FROM:** Jay Gewin, Utilities Manager

**DATE:** April 30, 2013

**RE:** **Approval of Amendments to the City's Solid Waste Ordinances in Order to Shift Utility Billing to the Property Tax Roll, and to Enact Amendment to Waste Management Collection Contract.**

#### ACTION STATEMENT:

These Amendments to Chapter 58 of the City's Solid Waste Ordinances relates to the City's transfer of the billing for its Solid Waste utility to the property tax roll. They also are necessary to enact the terms of the Waste Management Collection Contract Amendment approved through Resolution 13-051.

#### BACKGROUND:

The City of Key West has struggled with excessive past-due accounts for our solid waste and stormwater utilities. While the total sum of delinquencies is now decreasing over last year, there is still a significant amount of funds that need to be collected by the City.

To remedy this situation, and to improve our collection rate going forward, the City Commission has given City Staff direction to move our solid waste and stormwater utility billings as a non-ad valorem assessment on the property tax roll. The Monroe County Tax Collector is supportive of this plan, and will work with the City to implement the transition.

Due to the requirements set forth in state statute, the soonest the City could move our billing to the tax roll would be FY 2014, which would be mailed to the public in November of 2013.

Additionally, in an effort to increase the City's recycling rates, the Commission approved Resolution 13-051 which amended the solid waste collection contract with Waste Management. These included the following components, some of which required a change in Code:

- 1) Utilization of new 65 gallon recycling carts.
- 2) Waste Management will partner with the City to shift to a one trash/one recycling/one yard waste pickup per week program at no additional cost.
- 3) Waste Management will add residential e-waste to its household hazardous waste collection at no additional charge, and increase frequency of these events to once a month.
- 4) For commercial customers, the collection charges for recycling and trash containers will be the same.
- 5) Waste Management will provide single-stream recycling in containers sizes ranging from carts to dumpsters to roll-offs for all businesses wishing to participate.

There were other changes to the contract that have not been incorporated into our ordinances over time. These include the recycling of plastics numbers 1-7, and the scheduling of bulk pickups as required by our residents.

## **PURPOSE AND JUSTIFICATION**

In order to proceed with this billing transfer to a non-ad valorem assessment to the property tax roll, the City will need to modify its code of ordinances. Much of the language included in these amendments is based on the language from the code from the Village of Islamorada.

The other changes were based on an analysis of the new contract amendment and existing collection contract with Waste Management so that Commission-approved changes were incorporated into code.

## **OPTIONS / ADVANTAGES / DISADVANTAGES:**

1. The City Commission can agree to the amendments that are proposed. Doing so will enable us to move forward in moving the solid waste utility billing to the property tax roll, and will allow us to enact the new amendment to the Waste Management contract.
2. The City Commission can decline the amendments. This option is not recommended by City Staff because it will preclude the City from achieving the benefits from the shift of billing to the tax roll and from the Waste Management contract amendment.

**FINANCIAL IMPACT:**

Shifting the utility billing to the property tax roll will result in an increased collection rate, and will eliminate postage and other fees associated with monthly billing.

The Waste Management contract amendment should result in increased recycling participation which could result in a recycling revenue share in the future solid waste collection contract.

**RECOMMENDATION:**

Staff recommends that the City Commission select option 1, approving the amendments to the solid waste code.