



THE CITY OF KEY WEST

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MEMORANDUM

TO: Jim Scholl, City Manager
CC: Greg Veliz, Assistant City Manager
FROM: John Paul Castro, Utilities Director
DATE: June 19, 2018

SUBJECT: Authorizing FY 2019 Preliminary Solid Waste Assessment Resolution, in the amount of \$305.63 per Dwelling Unit, for the Maximum Annual Solid Waste Residential User Fee

Action statement:

The preliminary solid waste assessment resolution is necessary for the process of setting a maximum annual residential solid waste service charge of \$305.63 per dwelling unit, as a non-ad valorem assessment on the property tax bill.

Background:

Pursuant to City of Key West Code of Ordinances Sec. 58-101, the initial proceeding for the imposition of a solid waste service assessment shall be required by the adoption of an initial assessment resolution by the city commission. The resolution shall describe the solid waste collection and disposal services, facilities, or programs, and identify the properties that receive the benefit; determine the solid waste cost to be assessed; describe the method of apportioning the solid waste cost and the computation of the solid waste service assessment; establish an estimated assessment rate for the upcoming fiscal year; and direct the city manager to prepare the initial assessment roll, publish and mail notices as required by Sec. 58-103 and 58-104.

In accordance with Sec. 58-107, the city commission shall adopt a preliminary rate resolution containing a description of the solid waste collection and disposal services, facilities, or programs, and properties that receive the benefit; the solid waste cost and assessment rate for the upcoming fiscal year; authorize date, time and place of public hearing to receive and consider comments from the public and consider the adoption of the annual rate resolution; and direct the city manager to update the assessment roll, and publish and mail notices.

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

The City Commission establishes solid waste rates for residents each fiscal year. As the city has entered into a contract with Waste Management, Inc. to operate the Rockland Key Transfer Station and provide solid waste collection and disposal services, the preliminary solid waste rate resolution will establish the MAXIMUM solid waste rate. Staff, in conjunction with the financial rate consultant, have analyzed solid waste utility financials to determine the solid waste cost and maximum assessment rate for the upcoming fiscal year.

Purpose and Justification:

FY 2019 solid waste budget is established to accomplish the following goals:

- Fund solid waste and recycling material curbside collection and municipal solid waste hauling service from the Rockland Key Transfer Station.
- Continue implementation of the 2012 Solid Waste Master Plan with the goal to increase recycling rates and management of the solid waste utility.
- Continued maintenance of Stock Island Landfill and operation of the Rockland Key Transfer Station.
- Provide staff and equipment to ensure a safe and effective level of service.

Staff will work with Government Services Group (GSG) to mail notices to Key West property owners who were not noticed last year, i.e., new property owners. Previous and current notices inform residential property owners as to the MAXIMUM solid waste assessment rate, a rate which could only be increased if approved by the City Commission, and only after additional public notices are sent by mail to property owners who are assessed the user fee.

Notices mailed last year stated:

Maximum solid waste rate for FY 2018 - \$310.00

Maximum solid waste rate for future fiscal years - \$393.08

Notices to be mailed this year will state:

Maximum solid waste rate for FY 2019 - \$305.63

Maximum solid waste rate for future fiscal years - \$393.08

The preliminary solid waste rate resolution must be approved at the July 3, 2018 city commission meeting, in order to meet the schedule set by s. 197.3632, F.S., to collect the solid waste assessments on the property tax bill for FY 2019. The preliminary rate resolution authorizes a public hearing to receive and consider comments from the public and consider adoption of the final rate resolution for the solid waste service assessment.

Pursuant s. 197.3632, F.S., not less than twenty days shall pass between the notice of the preliminary solid waste rate of assessment and the final solid waste assessment resolution which shall establish the solid waste rate of assessment and approve the assessment tax roll. The city commission may approve the preliminary solid waste assessment at the July 3 meeting and adopt the final assessment resolution and approve collecting the solid waste assessment on the property tax bill, at the August 21st city commission meeting.

Options:

- 1) City Commission may adopt the preliminary solid waste rate of assessment, in the amount of \$305.63 per dwelling unit, which is the MAXIMUM amount that will be charged as an annual non-ad valorem assessment on the property tax bill, and direct the City Manager to prepare an updated assessment roll for FY 2018-19. This option is recommended by staff and financial consultant.
- 2) City Commission may adopt a different preliminary solid waste assessment rate, an amount that will be the MAXIMUM amount that will be charged as an annual non-ad valorem assessment on the property tax bill, and direct the City Manager to prepare an updated assessment roll for FY 2019.
- 3) City Commission may adopt a preliminary solid waste assessment rate, and collect solid waste service assessment bills by first class mail, in accordance with Sec. 58-114.

Options 1 or 2 must be adopted at the July 3, 2018 city commission meeting, and the subsequent final solid waste assessment rate resolution adopted prior to September 15, to be compliant with s. 197.3632, F.S., adoption of a non-ad valorem assessment roll and inclusion on the property tax bill.

Financial Impact:

Preliminary solid waste assessment for residential dwelling units for FY 2018 and FY 2019 summary is as follows:

FY 2018 (current) \$305.63 (per year)	FY 2019 (proposed) \$305.63 (per year) NO INCREASE	FY 2019 Option (2% increase) \$311.74 (per year) \$6.11 increase over previous year
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Recommendation:

Staff recommends option 1, adopt a MAXIMUM preliminary solid waste rate assessment, in the amount of \$305.63 per dwelling unit, to be charged as an annual non-ad valorem assessment on the property tax bill, and direct the City Manager to prepare an updated assessment roll for FY 2019.