

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Adoption of Ordinance No. 858 - Amending SMC 3.01.500 Solid Waste Rate Schedule to Reflect Amendment # 1 to the City's 2017–2027 Comprehensive Garbage, Recyclables, and Compostables Collection Contract with Recology CleanScapes Inc.
DEPARTMENT:	Public Works
PRESENTED BY:	Randy Witt, Public Works Director
ACTION:	<input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

In 2016, the City Council entered into a 10-year contract for the City's 2017 – 2027 Comprehensive Garbage, Recyclables, and Compostables Collection Services with Recology CleanScapes Inc. (Recology). The contract was adopted on May 2, 2016, and collection services under the new contract started on March 1, 2017.

In July of 2017, changes in market conditions started adversely affected recycling economics around the world, but especially in North America's west coast markets that relied on marketing most materials to Chinese and other Asian companies. In August 2018, Recology requested an adjustment to the contract rates to address these changes and to improve the quality and processing of recycling materials. Staff and Recology have negotiated an amendment to certain terms and conditions of the contract related to the changing market conditions for recyclables materials, including a rate adjustment. This proposed contract amendment and proposed Ordinance No. 858, which provides for the rate adjustment, were discussed at the March 18, 2019 City Council meeting.

The action before the Council tonight is adoption of proposed Ordinance No. 858 amending SMC 3.01.500 Solid Waste Rate Schedule to reflect the amendment to Recology CleanScapes Comprehensive Garbage, Recycles, and Compostables Collection Contract.

RESOURCE/FINANCIAL IMPACT:

This proposed amendment will increase single-family residential customers collection rates by \$1.35 per month and multifamily and commercial customers by \$2.10 per yard of garbage collected monthly. This rate increase will provide an estimated additional annual revenue of approximately \$572,000 for Recology to intensify their efforts to eliminate problematic materials from collection points through education and incentives, an increase in monitoring and rejection of unacceptable material at the curb, as well as support for material handling process changes. The City's administrative fee revenue on the recycling rate increase will generate approximately \$70,000 in additional City

revenues; funding that could be used for City support of the proposed contractual and recycling program changes as well as other environmental services.

RECOMMENDATION

Staff recommends that Council adopt Ordinance No. 858 amending SMC 3.01.500 Solid Waste Rate Schedule.

Approved By: City Manager City Attorney

BACKGROUND

In 2016, the City Council entered into a 10-year contract for the City's 2017 – 2027 Comprehensive Garbage, Recyclables, and Compostables Collection Services with Recology CleanScapes Inc. (Recology). The contract was adopted on May 2, 2016, and collection services under the new contract started on March 1, 2017.

When the City competitively procured this collection contract, most collected recyclable paper fiber and plastic materials were marketed to large consumers in China. The markets at that time were based around the needs of China's consuming mills, which allowed higher contamination levels than were traditionally accepted by domestic end-users. Historically, Chinese mills permitted 10% or more contamination in imported bales of paper and plastics. In January 2018, the Chinese Government implemented regulations that mandated that its importing mills will only accept bales containing a contamination level of less than 0.5% impurities, and in May 2019 imports of recyclable material were halted. Other countries in Southeast Asia accept recycled materials in with contamination levels less than the 0.5% impurity level, however these markets involve greater shipping costs and pay lower prices.

The City's contract with Recology allows that in the event of unforeseen temporary market circumstances that preclude or prevent compliance with the rate structure, Recology may request a temporary adjustment or other relief. The unforeseen market conditions must persist for more than nine months, after which Recology and the City would need to engage in good faith negotiations to determine a mutually acceptable course of action. This market situation led Recology to request adjustments to customer rates to reflect their increased costs. Staff retained a consultant, Jeff Brown from Epicenter Services, to assist in reviewing the request and assist with contract amendment negotiations. The proposed amendment reflects the results of those negotiations.

To fully implement the amendment, staff prepared Ordinance No. 858 (Attachment A) that amends SMC 3.01.500 to reflect the updated rate schedule, and Exhibit A to proposed Ordinance No. 858 that contains the amended 2019 Shoreline rates. Proposed Ordinance No. 858 was discussed at the March 18, 2019 City Council meeting. The staff report for this discussion can be found at the following link: <http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2019/staffreport031819-8b.pdf>.

DISCUSSION

With approval of Amendment # 1 to the City's 2017 – 2027 Comprehensive Garbage, Recyclables, and Compostables Collection contract with Recology, proposed Ordinance No. 858 is necessary to amend SMC 3.01.500 to reflect the updated rate schedule. When this proposed Ordinance was discussed on March 18th, while some Councilmembers had some concerns with the proposed Recology contract amendment, there were no concerns expressed with the proposed rate increase in Ordinance No. 858. If Council does not adopt Amendment #1 to the Recology's contract, Council will not take any action on this agenda item and this proposed Ordinance will be pulled from Council consideration.

RECOMMENDATION

Staff recommends that Council adopt Ordinance No. 858 amending SMC 3.01.500 Solid Waste Rate Schedule.

ATTACHMENTS

Attachment A: Proposed Ordinance No. 858

Attachment A – Exhibit A: Amended Solid Waste Fees Rate Schedule - SMC 3.01.500

ORDINANCE NO. 858

**AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON,
AMENDING SHORELINE MUNICIPAL CODE SECTION 3.01.500 SOLID
WASTE RATE SCHEDULE AS ADOPTED BY ORDINANCE NO. 841.**

WHEREAS, the 2019-2020 Final Biennial Budget for the City of Shoreline was adopted by Ordinance No. 841; and

WHEREAS, Section 3 of Ordinance No. 841 adopted Shoreline Municipal Code (SMC) Section 3.01.500, which sets forth the solid waste fees imposed by the City's authorized solid waste collection company, Recology CleanScapes, Inc. (Recology); and

WHEREAS, the international and domestic markets for the recyclables collected from residents and businesses have undergone significant adverse changes with some materials no longer feasibly recyclable, and the existing levels of contaminants in the collected recyclables and changes in market acceptance standards now require changes to the City's recycling collection programs; and

WHEREAS, due to changes in market conditions which have adversely affected recycling economics, Recology requested amendment to its 10-year Comprehensive Garbage, Recycles, and Compostables Collection Contract (Receiving No. 8518), including an increase to the contract rates effective June 1, 2019; and

WHEREAS, an increase in the solid waste fees to address recycling economics is in the public health and welfare of the citizens of Shoreline;

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE,
WASHINGTON, DO ORDAIN AS FOLLOWS:**

Section 1. Amendment – SMC 3.01.500 Solid waste fees. SMC 3.01.500 Solid waste fees is amended as set forth in Exhibit A, attached hereto.

Section 2. Corrections by City Clerk or Code Reviser. Upon approval of the City Attorney, the City Clerk and/or the Code Reviser are authorized to make necessary corrections to this ordinance, including the corrections of scrivener or clerical errors; references to other local, state, or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering and references.

Section 3. Severability. Should any section, subsection, paragraph, sentence, clause, or phrase of this ordinance or its application to any person or situation be declared unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this ordinance or its application to any person or situation.

Section 4. Publication and Effective Date. A summary of this Ordinance consisting of the title shall be published in the official newspaper. This Ordinance shall take at 12:01 am PST June 1, 2019.

PASSED BY THE CITY COUNCIL ON APRIL 1, 2019

Mayor Will Hall

ATTEST:

APPROVED AS TO FORM:

Jessica Simulcik Smith
City Clerk

Margaret King
City Attorney

Date of Publication: _____, 2019
Effective Date: June 1, 2019

**City of Shoreline
Fee Schedules**

Attachment A - Exhibit A

3.01.500 Solid Waste Rate Schedule

Effective 6/1/2019

Solid Waste Rate Schedule from CleanScapes				
Service Level	Pounds Per Unit	Disposal Fee	Collection Fee	2019 Amended Fee Total
A. MONTHLY				
1. One 32-gallon Garbage Cart	4.43	\$ 1.35	\$8.72-\$10.07	\$10.07-\$11.42
B. WEEKLY RESIDENTIAL CURBSIDE SERVICE				
1. One 10-gallon Garbage Micro-Can	6.00	\$ 1.83	\$11.09-\$12.44	\$12.92-\$14.27
2. One 20-gallon Garbage Cart	12.00	\$ 3.66	\$15.31-\$16.66	\$18.97-\$20.32
3. One 32/35 -gallon Garbage Cart	19.20	\$ 5.86	\$19.20-\$20.55	\$25.06-\$26.41
4. One 45-gallon Garbage Cart	27.00	\$ 8.25	\$26.44-\$27.79	\$34.69-\$36.04
5. One 60/64-gallon Garbage Cart	38.40	\$ 11.74	\$28.03-\$29.38	\$39.77-\$41.12
6. One 90/96-gallon Garbage Cart	57.60	\$ 17.60	\$32.19-\$33.54	\$49.79-\$51.14
7. Additional 32 Gallon Cans (weekly svc)	-	\$ 5.87	\$ 7.77	\$ 13.64
8. Extras (32 gallon equivalent)	-	\$ 1.35	\$ 2.95	\$ 4.30
9. Miscellaneous Fees:				
a. Extra Yard Debris (32 gallon bag/bundle/can)				\$ 3.11
b. 2nd and Additional 96-Gallon Yard Waste Cart				\$ 6.22
c. Contamination Charge (per cart, per contract amendment)				\$ 20.00
d. Return Trip				\$ 6.22
e. Roll-out Charge, per 25 ft, per cart, per time				\$ 3.11
f. Drive-in Charge, per month				\$ 6.22
g. Extended Vacation Hold (per week)				\$ 1.00
h. Overweight/Oversize container (per p/u)				\$ 3.11
i. Redelivery of one or more containers				\$ 10.37
j. Cart Cleaning (per cart per cleaning)				\$ 10.37
C. ON-CALL BULKY WASTE COLLECTION				
1. Non-CFC Containing Large Appliances ("white goods"), per item				\$ 20.73
2. Refrigerators/Freezers/Air Conditioners per item				\$ 31.10
3. Sofas, Chairs, per item	-	\$ 7.63	\$ 13.99	\$ 21.62
4. Mattresses, Boxsprings, per item	-	\$ 7.63	\$ 13.99	\$ 21.62
D. WEEKLY COMMERCIAL & MULTIFAMILY CAN AND CART				
1. One 20-gallon Garbage Cart	12.00	\$ 3.66	\$13.80-\$14.77	\$17.46-\$18.43
2. One 32/35-gallon Garbage Cart	19.20	\$ 5.86	\$14.99-\$16.65	\$20.85-\$22.51
3. One 45-gallon Garbage Cart	27.00	\$ 8.25	\$16.92-\$19.16	\$25.17-\$27.41
4. One 60/64-gallon Garbage Cart	38.40	\$ 11.74	\$19.10-\$22.22	\$30.84-\$33.96
5. One 90/96-gallon Garbage Cart	57.60	\$ 17.60	\$21.17-\$25.55	\$38.77-\$43.15
6. Extras (32-gallon equivalent)	-	\$ 1.35	\$ 4.06	\$ 5.41
7. Miscellaneous Fees:				
a. Weekly 64-gal Cart Yard Debris/Foodwaste service				\$ 24.92
b. Return Trip				\$ 7.89
c. Roll-out Charge, per addtn'l 25 ft, per cart, per p/u				\$ 1.97
d. Redelivery of containers				\$ 13.14
e. Cart Cleaning (per cart per cleaning)				\$ 13.14

**City of Shoreline
Fee Schedules**

Attachment A - Exhibit A

Service Level	Pounds Per Unit	Disposal Fee	Collection Fee	2019 Amended Fee Total
E. WEEKLY COMMERCIAL DETACHABLE CONTAINER (COMPACTED)				
1. 1 Cubic Yard Container	394.80	\$ 120.63	\$82.57-\$111.80	\$203.20-\$232.43
2. 1.5 Cubic Yard Container	789.60	\$ 241.28	\$162.50-\$206.34	\$403.78-\$447.62
3. 2 Cubic Yard Container	1,184.40	\$ 361.91	\$242.43-\$300.89	\$604.34-\$662.80
4. 3 Cubic Yard Container	1,579.20	\$ 482.55	\$322.36-\$410.04	\$804.91-\$892.59
5. 4 Cubic Yard Container	1,974.00	\$ 603.19	\$402.30-\$519.21	\$1,005.49-\$1,122.40
6. 6 Cubic Yard Container	2,961.00	\$ 892.63	\$440.56-\$615.93	\$1,333.19-\$1,508.56
F. COMMERCIAL DETACHABLE CONTAINER (LOOSE)				
1. 1 Cubic Yard, 1 pickup/week	112.80	\$ 34.47	\$61.46-\$71.20	\$95.93-\$105.67
2. 1 Cubic Yard, 2 pickups/week	225.60	\$ 68.93	\$116.37-\$135.86	\$185.30-\$204.70
3. 1 Cubic Yard, 3 pickups/week	338.40	\$ 103.40	\$171.26-\$200.49	\$274.66-\$303.89
4. 1 Cubic Yard, 4 pickups/week	451.20	\$ 137.88	\$226.16-\$265.13	\$364.04-\$403.01
5. 1 Cubic Yard, 5 pickups/week	564.00	\$ 172.34	\$281.06-\$329.77	\$453.40-\$502.11
6. 1.5 Cubic Yard, 1 pickup/week	169.20	\$ 51.70	\$ 85.63-\$100.24	\$137.33-\$151.94
7. 1.5 Cubic Yard, 2 pickups/week	338.40	\$ 103.40	\$164.71-\$193.94	\$268.11-\$297.34
8. 1.5 Cubic Yard, 3 pickups/week	507.60	\$ 155.11	\$243.77-\$287.61	\$398.88-\$442.72
9. 1.5 Cubic Yard, 4 pickups/week	676.80	\$ 206.81	\$322.84-\$381.30	\$529.65-\$588.11
10. 1.5 Cubic Yard, 5 pickups/week	846.00	\$ 258.51	\$401.91-\$474.98	\$660.42-\$733.49
11. 2 Cubic Yard, 1 pickups/week	225.60	\$ 68.93	\$110.25-\$129.74	\$179.18-\$198.67
12. 2 Cubic Yard, 2 pickups/week	451.20	\$ 137.88	\$213.92-\$252.89	\$351.80-\$390.77
13. 2 Cubic Yard, 3 pickups/week	676.80	\$ 206.81	\$317.60-\$376.06	\$524.41-\$582.87
14. 2 Cubic Yard, 4 pickups/week	902.40	\$ 275.74	\$421.27-\$499.21	\$697.01-\$774.95
15. 2 Cubic Yard, 5 pickups/week	1,128.00	\$ 344.68	\$524.94-\$622.37	\$869.62-\$967.05
16. 3 Cubic Yard, 1 pickup/week	338.40	\$ 103.40	\$148.97-\$178.20	\$252.37-\$281.60
17. 3 Cubic Yard, 2 pickups/week	676.80	\$ 206.81	\$291.38-\$349.84	\$498.19-\$556.65
18. 3 Cubic Yard, 3 pickups/week	1,015.20	\$ 310.21	\$433.78-\$521.46	\$743.99-\$831.67
19. 3 Cubic Yard, 4 pickups/week	1,353.60	\$ 413.62	\$576.19-\$693.10	\$989.81-\$1,106.72
20. 3 Cubic Yard, 5 pickups/week	1,692.00	\$ 517.02	\$1,129.11-\$1,275.25	\$1,646.13-\$1,792.27
21. 4 Cubic Yard, 1 pickup/week	451.20	\$ 137.88	\$187.70-\$226.67	\$325.58-\$364.55
22. 4 Cubic Yard, 2 pickups/week	902.40	\$ 275.74	\$368.84-\$446.78	\$644.58-\$722.52
23. 4 Cubic Yard, 3 pickups/week	1,353.60	\$ 413.62	\$549.99-\$666.90	\$963.61-\$1,080.52
24. 4 Cubic Yard, 4 pickups/week	1,804.80	\$ 551.49	\$731.11-\$886.99	\$1,282.60-\$1,438.48
25. 4 Cubic Yard, 5 pickups/week	2,256.00	\$ 689.37	\$912.25-\$1,107.10	\$1,601.62-\$1,796.47
26. 6 Cubic Yard, 1 pickup/week	676.80	\$ 206.81	\$265.17-\$323.63	\$471.98-\$530.44
27. 6 Cubic Yard, 2 pickups/week	1,353.60	\$ 413.62	\$523.77-\$640.68	\$937.39-\$1,054.30
28. 6 Cubic Yard, 3 pickups/week	2,030.40	\$ 620.42	\$782.35-\$957.72	\$1,402.77-\$1,578.14
29. 6 Cubic Yard, 4 pickups/week	2,707.20	\$ 827.23	\$1,040.95-\$1,274.77	\$1,868.18-\$2,102.00
30. 6 Cubic Yard, 5 pickups/week	3,384.00	\$ 1,034.04	\$1,299.55-\$1,591.83	\$2,333.59-\$2,625.87
31. 8 Cubic Yard, 1 pickup/week	902.40	\$ 275.74	\$333.89-\$411.83	\$609.63-\$687.57
32. 8 Cubic Yard, 2 pickups/week	1,804.80	\$ 551.49	\$661.20-\$817.08	\$1,212.69-\$1,368.57
33. 8 Cubic Yard, 3 pickups/week	2,707.20	\$ 827.23	\$988.53-\$1,222.35	\$1,815.76-\$2,049.58
34. 8 Cubic Yard, 4 pickups/week	3,609.60	\$ 1,102.98	\$1,315.84-\$1,627.60	\$2,418.82-\$2,730.58
35. 8 Cubic Yard, 5 pickups/week	4,512.00	\$ 1,378.72	\$1,643.16-\$2,032.86	\$3,021.88-\$3,411.58

**City of Shoreline
Fee Schedules**

Attachment A - Exhibit A

Service Level	Pounds Per Unit	Disposal Fee	Collection Fee	2019 Amended Fee Total
36. Extra loose cubic yard in container, per pickup	-	\$ 7.97	\$ 6.12	\$ 14.09
37. Extra loose cubic yard on ground, per pickup	-	\$ 7.97	\$ 19.26	\$ 27.23
38. Detachable Container Miscellaneous Fees (per occurrence):				
a. Stand-by Time (per minute)				\$ 2.10
b. Container Cleaning (per yard of container size)				\$ 13.14
c. Contamination Charge (per yard, per contract amendment)				\$ 25.00
d. Redelivery of Containers				\$ 26.29
e. Return Trip				\$ 13.14
Service Level (based on pick ups)	Daily Rent	Monthly Rent	Delivery Charge	Haul Charge
G. COMMERCIAL & MULTIFAMILY DROP-BOX COLLECTION				
1. Non-compacted 10 cubic yard Drop-box (6 boxes)	8.26	\$ 82.67	\$ 148.82	\$ 210.12
2. Non-compacted 15 cubic yard Drop-box	8.26	\$ 82.67	\$ 148.82	\$ 210.12
3. Non-compacted 20 cubic yard Drop-box (7 boxes)	8.26	\$ 115.75	\$ 148.82	\$ 255.00
4. Non-compacted 25 cubic yard Drop-box	8.26	\$ 132.28	\$ 148.82	\$ 277.37
5. Non-compacted 30 cubic yard Drop-box (11 boxes)	8.26	\$ 148.82	\$ 148.82	\$ 299.77
6. Non-compacted 40 cubic yard Drop-box (2 boxes)	8.26	\$ 165.35	\$ 148.82	\$ 344.58
7. Compacted 10 cubic yard Drop-box (2 boxes)			\$ 165.35	\$ 265.63
8. Compacted 20 cubic yard Drop-box (3 boxes)			\$ 165.35	\$ 288.03
9. Compacted 25 cubic yard Drop-box (2 boxes)			\$ 165.35	\$ 310.42
10. Compacted 30 cubic yard Drop-box (4 boxes)			\$ 165.35	\$ 332.85
11. Compacted 40 cubic yard Drop-box (1 box)			\$ 165.35	\$ 377.65
12. Drop-box Miscellaneous Fees				Per Event
a. Return Trip				\$ 32.85
b. Stand-by Time (per minute)				\$ 2.10
c. Container cleaning (per yard of container size)				\$ 13.14
d. Drop-box directed to other facility (per one-way mile)				\$ 3.94
Service Level	Pounds Per Unit	Disposal Fee	Collection Fee	Haul Charge
H. TEMPORARY COLLECTION HAULING				
1. 2 Yard detachable Container	270.00	\$ 19.06	\$ 136.46	\$ 155.52
2. 4 Yard detachable container	540.00	\$ 38.11	\$ 138.84	\$ 176.95
3. 6 Yard detachable container	810.00	\$ 57.17	\$ 141.24	\$ 198.41
4. 8 Yard detachable container	1,080.00	\$ 76.21	\$ 143.62	\$ 219.83
5. Non-compacted 10 cubic yard Drop-box				\$ 193.65
6. Non-compacted 20 cubic yard Drop-box				\$ 223.44
7. Non-compacted 30 cubic yard Drop-box				\$ 253.24
8. Non-compacted 40 cubic yard Drop-box				\$ 268.13
Service Level		Delivery Fee	Daily Rental	Monthly Rental
I. TEMPORARY COLLECTION CONTAINER RENTAL AND DELIVERY				
1. 2 Yard detachable container		\$ 85.61	\$ 4.89	\$ 58.70
2. 4 Yard detachable container		\$ 85.61	\$ 4.89	\$ 58.70
3. 6 Yard detachable container		\$ 85.61	\$ 4.89	\$ 58.70
4. 8 Yard detachable container		\$ 85.61	\$ 4.89	\$ 58.70
Service Level		Delivery Fee	Daily Rental	Monthly Rental
5. Non-compacted 10 cubic yard Drop-box		\$ 110.08	\$ 7.34	\$ 88.06
6. Non-compacted 20 cubic yard Drop-box		\$ 110.08	\$ 7.34	\$ 88.06
7. Non-compacted 30 cubic yard Drop-box		\$ 110.08	\$ 7.34	\$ 88.06
8. Non-compacted 40 cubic yard Drop-box		\$ 110.08	\$ 7.34	\$ 88.06
J. EVENT SERVICES				Per Day
1. Delivery, provision, collection of a set of 3 carts (G, R & C)				\$ 32.85
K. HOURLY RATES				Per Hour
1. Rear/Side-load packer + driver				\$ 164.27
2. Front-load packer + driver				\$ 164.27

**City of Shoreline
Fee Schedules**

Attachment A - Exhibit A

3. Drop-box Truck + driver	\$	164.27
4. Additional Labor (per person)	\$	88.73

[Ord. 806 § 3 (Exh. A), 2017; Ord. 758 § 3 (Exh. A), 2016; Ord. 728 § 3 (Exh. A), 2015; Ord. 622 § 3 (Exh. A), 2011; Ord. 585 § 3(b) (Exh. B), 2010; Ord. 563 § 4 (Exh. B), 2009]