

RESOLUTION NO. R22-70

A RESOLUTION OF THE CITY COUNCIL OF INTENT TO INCREASE THE CITY OF LAUREL'S SOLID WASTE RATES AND SETTING A DATE AND TIME FOR A PUBLIC HEARING

WHEREAS, a need is anticipated for repair, improvement, and continued operation and maintenance of existing and proposed solid waste facilities, equipment, and services for the providing of collection and disposal of solid waste for the inhabitants of the City of Laurel, Montana and its environs (hereinafter "the City");

WHEREAS, it is essential to the public health, welfare, and safety of the inhabitants of the City of Laurel and its environs to provide an adequate and safe solid waste collection service and to provide adequate funding to meet the cost of constructing, maintaining, and operating the same;

WHEREAS, the current solid waste collection and disposal rates and charges in effect at the present time within the City of Laurel are not adequate to provide revenues with which to defray the increased costs of operation, maintenance, and capital of the City's solid waste facilities, equipment, and services;

WHEREAS, the provision of the solid waste facilities, equipment, and services is essential to the preservation of the public's health and welfare;

WHEREAS, that the new rates must, before taking effect, be approved by the City Council after advertising and conducting a public hearing pursuant to the City's Charter and Mont. Code Ann. § 69-7-111;

WHEREAS, current budgetary requirements with respect to the operation of said facilities, equipment, and services, in addition to ongoing and future projects, require the proposed rate increase to enable the City to proceed as expeditiously as possible to accomplish the objectives herein above recited; and

WHEREAS, pursuant to its Charter and Montana law, the City Council has determined that a public hearing must be advertised and held to gather public testimony and input regarding the proposed increases in solid waste rates and charges.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAUREL, MONTANA:

1. That the City Council considers it both advisable and necessary to increase the municipal solid waste rates and charges for all users and proposes to increase the rates and charges as specifically contained on the rate and charge schedule marked

“Exhibit A” that is attached hereto and hereby incorporated into this Resolution by reference.

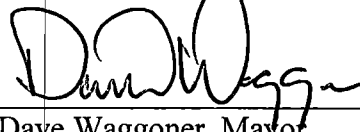
2. That a public hearing shall be held on the 13th day of December 2022, at 6:30 p.m. in the City Council Chambers, at City Hall, Laurel, Montana, for the purpose of gathering and receiving testimony, input, and comments from all interested or affected users, citizens, persons, associations, corporations and/or companies.
3. Notice of the Hearing shall be published once a week for three consecutive weeks in the Yellowstone County News, a newspaper that conforms to the requirements of Mont. Code Ann. § 7-1-4127, and the first such publication shall not be more than twenty-eight (28) days prior to the hearing and the last publication shall be not less than three (3) days prior to the hearing, in a form substantially similar to the Notice of Public Hearing marked and attached hereto as “Exhibit B.”
4. Additionally, the Notice of the Hearing shall be mailed at least seven (7) days and not more than thirty (30) days prior to the hearing to all persons who are served by the City's utility. The notice shall contain an estimate of the amount the customer's average monthly bill will increase.

Introduced at a regular meeting of the City Council on the 8th day of November 2022 by Council Member Herr.

PASSED and APPROVED by the City Council of the City of Laurel, Montana on the 8th day of November 2022.

APPROVED by the Mayor on the 8th day of November 2022.

CITY OF LAUREL

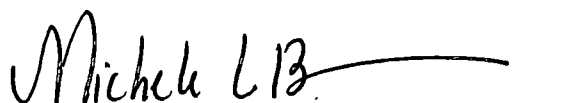


Dave Waggoner, Mayor

ATTEST:


Kelly Strecker, Clerk-Treasurer

APPROVED AS TO FORM:


Michele L. Braukmann, Civil City Attorney

CITY HALL
115 W. 1ST ST.
PUB. WORKS: 628-4796
WATER OFC.: 628-7431
COURT: 628-1964
FAX 628-2241

City Of Laurel

P.O. Box 10
Laurel, Montana 59044



Office of the Mayor

October 27, 2022

Re: Proposed Solid Waste Rate Increases to be Considered by the City Council

Dear City of Laurel Resident:

The City of Laurel operates a Solid Waste Division that collects trash from all residential and commercial properties inside the City limits. The City transports the trash collected to the City of Billings' landfill for disposal and must pay a set fee for each ton for disposal at Billings' landfill. Increases in disposal fees, along with increased costs of wages, fuel, vehicle repair, and replacement, necessitate that the City Council considers increasing rates for all properties served with solid waste collection within the City.

The Solid Waste Division operates based upon the rates and charges it collects, which are included in the monthly water bills and are not supported by tax dollars. The City strives to keep the rates as low as possible, while maintaining its ability to serve the residents and business owners within the City. Unfortunately, the current rates are inadequate to keep up with the City's expenses and the need to replace worn-out refuse trucks. A recent refuse truck on order will have to be paid for with a loan, as the current solid waste reserves would be depleted if the City tried to purchase the truck outright. The refuse truck on order has a price tag of over \$380,000.00 and is needed to continue making daily trips to Billings to dispose of the trash collected within the City.

Please be advised that the decision to consider a rate increase is not made lightly. As Mayor of the City of Laurel, I believe having the funds to operate the Solid Waste Department is in the best interests of the citizens of Laurel.

The attached spreadsheet will give you a detailed explanation of the expenses and the revenues of the Solid Waste Department, along with projected costs that the City could be facing if the trends from the last few years are an indication of what we will expect.

For your information, the current residential rate per month and the proposed increases are as follows:

November	2022	\$14.00 per month	Current charges
December	2022	\$17.00 per month	\$3.00 per month increase

July	2023	\$20.00 per month	\$3.00 per month increase
July	2024	\$23.00 per month	\$3.00 per month increase
July	2025	\$25.50 per month	\$2.50 per month increase
July	2026	\$27.50 per month	\$2.00 per month increase

The Laurel Municipal Code requires that commercial rates will not be less than the annual residential rates, and those rates are determined by the price per gallon that the residents pay yearly. Those rates are determined by the level of service commercial accounts require. The commercial rates are as follows:

November	2022	\$0.0327 per gallon per month	current charges
December	2022	\$0.0392 per gallon per month	\$0.0065 per gallon increase
July	2023	\$0.0461 per gallon per month	\$0.0069 per gallon increase
July	2024	\$0.0531 per gallon per month	\$0.0070 per gallon increase
July	2025	\$0.0588 per gallon per month	\$0.0057 per gallon increase
July	2026	\$0.0634 per gallon per month	\$0.0046 per gallon increase

The rate increases are necessary to provide for the increased costs to dispose of our trash at the Billings landfill, pay for increased fuels costs (last year increased by 46%), ongoing maintenance of current operations, replacement of the refuse trucks, wages of City employees, and to provide enough funds to build-back depleted reserve funds.

The revenue raised over the next five years is anticipated to be \$722,000.00, of which \$180,000.00 will go for a refuse truck loan payment, \$400,000.00 to purchase another refuse truck, \$120,000.00 for the increased cost to dispose of our trash at the Billings' landfill, and some additional to funds to pay for wages and reserve fund building.

The City Council will have a public hearing on December 13, 2022, where the proposed rates will be presented and discussed, and the public will have a chance to comment on the rate increases.

If you have any questions, please contact the City Clerk Treasurer or the Public Works Director at 406-628-7431 or by email at cityclerk@laurel.mt.gov.

Sincerely,

David Waggoner, Mayor

Commercial Rate Increase over 4 years 7 Months

Total Users -21,

200 gallons picked up 6 days per week.

Fiscal Year	Per Month Cost Per Gallon	Increase	Increase	Monthly Charge	Yearly Charge	Increase/Yr	Revenue Raised
21-22	0.0327	Current Cost		\$ 170.04	\$ 2,040.48		
22-23	0.0392	0.0065	\$ 0.0457	\$ 203.84	\$ 2,446.08	\$ 405.60	\$ 4,940.21
23-24	0.0461	0.0069	\$ 0.0530	\$ 239.72	\$ 2,876.64	\$ 430.56	\$ 9,041.76
24-25	0.0531	0.0070	\$ 0.0601	\$ 276.12	\$ 3,313.44	\$ 436.80	\$ 9,172.80
25-26	0.0588	0.0057	\$ 0.0645	\$ 305.76	\$ 3,669.12	\$ 355.68	\$ 7,469.28
26-27	0.0634	0.0046	\$ 0.0680	\$ 329.68	\$ 3,956.16	\$ 287.04	\$ 6,027.84
							\$ 36,651.89

Commercial 3 - 200 Gallon Can picked up 6 times per week.
Total Increase over the next 4 years 7 months.

Commercial Rate Increase over 4 years 7 Months

Total Users -51,

100 gallons picked up 6 days per week.

Fiscal Year	Per Month Cost Per Gallon	Increase	Increase	Monthly Charge	Yearly Charge	Increase/Yr	Revenue Raised
21-22	0.0327	Current Cost		\$ 85.02	\$ 1,020.24		
22-23	0.0392	0.0065	\$ 0.0457	\$ 101.92	\$ 1,223.04	\$ 202.80	\$ 5,998.82
23-24	0.0461	0.0069	\$ 0.0530	\$ 119.86	\$ 1,438.32	\$ 215.28	\$ 10,979.28
24-25	0.0531	0.0070	\$ 0.0601	\$ 138.06	\$ 1,656.72	\$ 218.40	\$ 11,138.40
25-26	0.0588	0.0057	\$ 0.0645	\$ 152.88	\$ 1,834.56	\$ 177.84	\$ 9,069.84
26-27	0.0634	0.0046	\$ 0.0680	\$ 164.84	\$ 1,978.08	\$ 143.52	\$ 9,759.36
							\$ 46,945.70

Commercial 4 -100 Gallon Can picked up 6 times per week.
Total Increase over the next 4 years 7 months.

Commercial Rate Increase over 4 years 7 Months

Total Users -20,

300 gallons picked up once a week.

Fiscal Year	Per Month Cost Per Gallon	Increase	Increase	Monthly Charge	Yearly Charge	Increase/Yr	Revenue Raised
21-22	0.0327	Current Cost		\$ 42.58	\$ 510.90		
22-23	0.0392	0.0065	\$ 0.0457	\$ 51.04	\$ 612.46	\$ 101.56	\$ 1,178.05
23-24	0.0461	0.0069	\$ 0.0530	\$ 60.02	\$ 720.27	\$ 107.81	\$ 2,156.11
24-25	0.0531	0.0070	\$ 0.0601	\$ 69.14	\$ 829.63	\$ 109.37	\$ 2,187.36
25-26	0.0588	0.0057	\$ 0.0645	\$ 76.56	\$ 918.69	\$ 89.06	\$ 1,781.14
26-27	0.0634	0.0046	\$ 0.0680	\$ 82.55	\$ 990.56	\$ 71.87	\$ 1,437.41
							\$ 8,740.07

Commercial 5 -300 Gallon Can picked up once a week.
Total Increase over the next 4 years 7 months.

Revenue Increased per year from all users

Year 1 Increase \$ 100,224.42

Year 2 Increase \$ 176,819.47

Year 3 Increase \$ 177,824.16

Year 4 Increase \$ 146,847.22

Year 5 Increase \$ 120,319.49

\$ 722,034.75 Total Increase over the next 4 years 7 months.

Fiscal Year	Billings Dumping Fees	Tons Dumped	Cost per Ton	Wages per Year	Fuel per Year	
18-19	\$ 154,028.30	6791	\$ 22.68	\$ 321,368.00	\$ 53,035.00	Actual
19-20	\$ 179,996.15	6893	\$ 26.11	\$ 263,607.00	\$ 48,967.00	Actual
20-21	\$ 204,945.35	6826	\$ 30.02	\$ 284,405.00	\$ 49,043.00	Actual
21-22	\$ 233,857.00	7086	\$ 33.00	\$ 328,824.00	\$ 75,514.00	Actual
22-23	\$ 249,781.50	7355	\$ 35.25	\$ 335,400.48	\$ 75,514.00	Yet to be determined, average ba
	62%	8%	55%	4%	42%	
PROJECTED TOTALS IF BILLINGS INCREASE DUMPING FEES BY \$2.00 PER TON PER YEAR AND TONAGE CONTINUES TO INCREASE.						
23-24	\$ 286,837.50	7649	\$ 37.50	\$ 342,108.49		
24-25	\$ 310,245.00	7955	\$ 39.00	\$ 348,950.66		
25-26	\$ 339,193.00	8273	\$ 41.00	\$ 355,929.67		
26-27	\$ 369,972.00	8604	\$ 43.00	\$ 363,048.27		
27-28	\$ 402,660.00	8948	\$ 45.00	\$ 370,309.23		
	61%	32%	20%	8%		Projected Increase

Fiscal Year	Total Expenses	Total Revenue	
18-19	\$ 869,001.00	\$ 898,387.00	Actual
19-20	\$ 748,254.00	\$ 908,145.00	Actual
20-21	\$ 955,491.00	\$ 935,074.00	Actual
21-22	\$ 1,091,545.00	\$ 933,748.00	Actual
22-23	\$ 1,235,587.00	\$ 943,670.00	Estimate without a rate increase and no garbage truck payment
	26%	5%	

sed off last years totals estimated at 4%

