

RESOLUTION NO. R14-34

**A RESOLUTION OF THE LAUREL CITY COUNCIL APPROVING THE
PROPOSED INCREASE IN THE RATES AND CHARGES FOR THE USERS OF
THE MUNICIPAL SOLID WASTE FACILITIES AND EQUIPMENT
TO BE EFFECTIVE ON JULY 1, 2014.**

WHEREAS, the City of Laurel, Montana (the "City") has determined the current solid waste rates and charges in effect at the present time are not adequate to provide revenues with which to defray the continual increased costs of operation, maintenance, and capital of the City's solid waste system and facilities; and

WHEREAS, it is necessary to increase the rates and charges for the services provided by the System in order to collect sufficient revenues to pay costs associated with the operation and maintenance of the System; and

WHEREAS, current budgetary requirements with respect to the operation of said facilities as well as on-going and future projects contemplate the proposed rates becoming effective by July 1, 2014, to enable the City to proceed as expeditiously as possible to continue providing System debt service, maintenance and improvements; and

WHEREAS, the City Council hereby finds and declares that maintaining and improving the System is essential to the preservation of the health, safety and welfare of its residents and users of the System; and

WHEREAS, under MCA § 69-7-101 the City has the power and authority to regulate, establish, and change, as it considers proper, rates, charges, and classifications imposed for utility services to its inhabitants and other persons served by the System so long as rates, charges, and classifications are reasonable and just; and

WHEREAS, a notice of public hearing was mailed to all users of the City's System notifying them that pursuant to Resolution No. R14-27 adopted May 20, 2014, it was the intention of the City to increase the rates and charges for solid waste services and notice of public hearing was published as required by Section 69-7-111, M.C.A. A public hearing was held on June 17, 2014, at 6:30 p.m. in the City Council Chambers at City Hall, Laurel, Montana, for the purpose of gathering public comments and evidence regarding the proposed rate and charge increase; and

WHEREAS, every individual who attended the public hearing was given the opportunity to speak, present argument and/or to submit written comment into the hearing record and based upon the record created, the City Council is prepared to issue its decision pursuant to MCA § 69-7-112.

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

1. Approval. The proposed increase in the rates and charges for the users of the municipal solid waste system is hereby approved and attached hereto and labeled Exhibit A; and

2. Effective date. This resolution shall be immediately filed with the City Clerk/Treasurer and shall become final and effective not less than 10 days after such filing or on July 1, 2014.

Introduced at a regular meeting of the City Council on June 17, 2014, by Council Member Mountsier.

PASSED and APPROVED by the City Council of the City of Laurel this 17th day of June, 2014.

APPROVED by the Mayor this 17th day of June, 2014.

CITY OF LAUREL

Mark A. Mace
Mark A. Mace, Mayor

ATTEST:

Shirley Ewan
Shirley Ewan, Clerk/Treasurer

Approved as to form:

Sam S. Painter
Sam S. Painter, Civil City Attorney

Residential Rate Increase over 5 Years

Total Residential Clients = 2949

Fiscal Year	Current Cost	Increase	Increased Total			Revenue Raised		
			Current Cost	% Increase	Yearly	Monthly	Yearly	Monthly
13-14	\$ 11.80	1	\$ 11.80		\$ 11.80	\$ 141.60	\$ 12.00	\$ 35,388.00
14-15	\$ 12.80	0.25	\$ 12.80	7.8%	\$ 12.80	\$ 153.60	\$ 6.00	\$ 17,694.00
15-16	\$ 13.05	0.25	\$ 13.30	1.9%	\$ 13.30	\$ 159.60	\$ 3.00	\$ 8,847.00
16-17	\$ 13.30	0.25	\$ 13.55	1.8%	\$ 13.55	\$ 162.60	\$ 3.00	\$ 8,847.00
17-18	\$ 13.55	0.25	\$ 13.80	1.8%	\$ 13.80	\$ 165.60	\$ 2.40	\$ 7,077.60
18-19	\$ 13.80	0.2	\$ 14.00	1.4%	\$ 14.00	\$ 168.00	\$ 26.40	\$ 77,853.60
								Residential Customers
								Total Increase over 5 Years

Commercial Rate Increase over 5 years.

Total Users 71, same as residential customers

Fiscal Year	Current Cost	Increase	Increased Total			Revenue Raised		
			Current Cost	% Increase	Yearly	Monthly	Yearly	Monthly
13-14	\$ 11.80	1	\$ 11.80		\$ 11.80	\$ 141.60	\$ 12.00	\$ 852.00
14-15	\$ 12.80	0.25	\$ 12.80	7.8%	\$ 12.80	\$ 153.60	\$ 6.00	\$ 426.00
15-16	\$ 13.05	0.25	\$ 13.30	1.9%	\$ 13.30	\$ 159.60	\$ 3.00	\$ 213.00
16-17	\$ 13.30	0.25	\$ 13.55	1.8%	\$ 13.55	\$ 162.60	\$ 3.00	\$ 213.00
17-18	\$ 13.55	0.25	\$ 13.80	1.8%	\$ 13.80	\$ 165.60	\$ 2.40	\$ 170.40
18-19	\$ 13.80	0.2	\$ 14.00	1.4%	\$ 14.00	\$ 168.00	\$ 26.40	\$ 1,874.40
								Commercial 1 - 90 Gallon can picked up once per week.
								Total Increase over 5 Years

Commercial Rate Increase over 5 years.

Total Users - 66, 300 gallons picked up 6 days per week.

Fiscal Year	Current Cost	Increase	Increased Total			Revenue Raised		
			Current Cost	% Increase	Yearly	Monthly	Yearly	Monthly
13-14	0.0272		\$ 212.16		\$ 212.16	\$ 2,545.92	\$ 224.64	\$ 14,826.24
14-15	0.0296	.0024 Cents/Gal	\$ 230.88	7.8%	\$ 230.88	\$ 2,770.56	\$ 56.16	\$ 3,706.56
15-16	0.0302	.0006 Cents/Gal	\$ 235.56	1.9%	\$ 235.56	\$ 2,826.72	\$ 56.16	\$ 3,706.56
16-17	0.0308	.0006 Cents/Gal	\$ 240.24	1.9%	\$ 240.24	\$ 2,882.88	\$ 56.16	\$ 3,706.56
17-18	0.0314	.0006 Cents/Gal	\$ 244.92	1.8%	\$ 244.92	\$ 2,939.04	\$ 56.16	\$ 3,706.56
18-19	0.0320	.0006 Cents/Gal	\$ 249.60	1.4%	\$ 249.60	\$ 2,995.20	\$ 56.16	\$ 3,706.56
								Commercial 2 - 300 Gallon Can picked up 6 times per week.
								Total Increase over 5 Years

Commercial Rate Increase over 5 years.

Total Users -19, 200 gallons picked up 6 days per week.

Fiscal Year	Current Cost	Increase	Increased Total			Revenue Raised		
			Current Cost	% Increase	Yearly	Monthly	Yearly	Monthly
13-14	0.0272		\$ 141.44		\$ 141.44	\$ 1,697.28	\$ 149.76	\$ 2,845.44
14-15	0.0296	.0024 Cents/Gal	\$ 153.92	7.8%	\$ 153.92	\$ 1,847.04	\$ 149.76	\$ 2,845.44

Fiscal Year	Current Cost Per Gallon	Increase	% Increase	Monthly Charge	Yearly Charge	Revenue Raised
15-16	0.0302	.0006 Cents/Gal	1.9%	\$ 157.04	\$ 1,884.48	\$ 37.44
16-17	0.0308	.0006 Cents/Gal	1.9%	\$ 160.16	\$ 1,921.92	\$ 37.44
17-18	0.0314	.0006 Cents/Gal	1.8%	\$ 163.28	\$ 1,959.36	\$ 37.44
18-19	0.0320	.0006 Cents/Gal	1.4%	\$ 166.40	\$ 1,996.80	\$ 37.44
Commercial 3 - 200 Gallon Can picked up 6 times per week.						
Total increase over 5 Years						\$ 5,690.88

Commercial Rate Increase over 5 years. Total Users -62, 100 gallons picked up 6 days per week.

Fiscal Year	Current Cost Per Gallon	Increase	% Increase	Monthly Charge	Yearly Charge	Revenue Raised
13-14	0.0272	.0024 Cents/Gal	7.8%	\$ 70.72	\$ 848.64	\$ 74.88
14-15	0.0296	.0006 Cents/Gal	1.9%	\$ 76.96	\$ 923.52	\$ 18.72
15-16	0.0302	.0006 Cents/Gal	1.9%	\$ 78.52	\$ 942.24	\$ 18.72
16-17	0.0308	.0006 Cents/Gal	1.9%	\$ 80.08	\$ 960.96	\$ 18.72
17-18	0.0314	.0006 Cents/Gal	1.8%	\$ 81.64	\$ 979.68	\$ 18.72
18-19	0.0320	.0006 Cents/Gal	1.4%	\$ 83.20	\$ 998.40	\$ 18.72
Commercial 4 - 100 Gallon Can picked up 6 times per week.						
Total increase over 5 Years						\$ 9,285.12

Commercial Rate Increase over 5 years. Total Users -12, 300 gallons picked up once a week.

Fiscal Year	Current Cost Per Gallon	Increase	% Increase	Monthly Charge	Yearly Charge	Revenue Raised
13-14	0.0272	.0024 Cents/Gal	7.8%	\$ 35.41	\$ 424.97	\$ 37.50
14-15	0.0296	.0006 Cents/Gal	1.9%	\$ 38.54	\$ 462.47	\$ 9.37
15-16	0.0302	.0006 Cents/Gal	1.9%	\$ 39.32	\$ 471.84	\$ 9.37
16-17	0.0308	.0006 Cents/Gal	1.9%	\$ 40.10	\$ 481.22	\$ 9.37
17-18	0.0314	.0006 Cents/Gal	1.8%	\$ 40.88	\$ 490.59	\$ 9.37
18-19	0.0320	.0006 Cents/Gal	1.4%	\$ 41.66	\$ 499.97	\$ 9.37
Commercial 5 - 300 Gallon Can picked up once a week.						
Total increase over 5 Years						\$ 899.94

Year 1 Increase	\$ 59,004.21
Year 2 Increase	\$ 23,811.05
Year 3 Increase	\$ 14,751.05
Year 4 Increase	\$ 14,751.05
Year 5 Increase	\$ 12,939.05

\$125,256.42 Total Increase over the next 5 years.

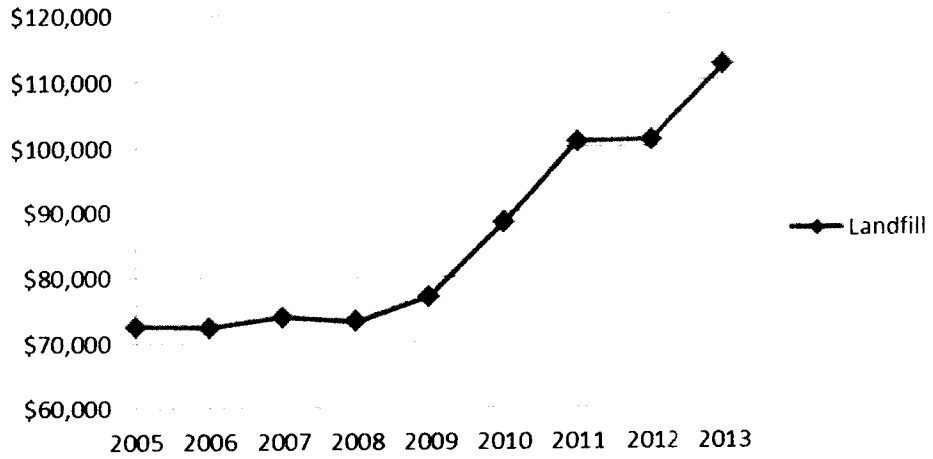
Fiscal Year	Dumping Fees	Tons Dumped	Cost per Ton	Wages per Year	Fuel per Year
05-06	\$ 85,525.45	7437	\$ 11.50	\$ 257,374.00	\$ 28,670.00
06-07	\$ 72,639.05	6316	\$ 11.50	\$ 244,871.00	\$ 33,052.00
07-08	\$ 73,837.25	6421	\$ 11.50	\$ 260,835.00	\$ 44,477.00
08-09	\$ 71,752.40	6239	\$ 11.50	\$ 232,213.00	\$ 34,596.00
09-10	\$ 83,204.55	6051	\$ 13.75	\$ 288,610.00	\$ 33,141.00
10-11	\$ 93,528.40	6802	\$ 13.75	\$ 343,052.00	\$ 47,161.00
11-12	\$ 104,212.30	5790	\$ 18.00	\$ 395,921.00	\$ 56,309.00
12-13	\$ 99,819.20	5546	\$ 18.00	\$ 386,262.00	\$ 50,434.00
13-14	\$ 105,413.00	6268	\$ 18.50	\$ 386,510.00	\$ 61,941.00
	123%	84%	161%	150%	216%
		Decrease			

Percentage Increase over the Last 9 Years

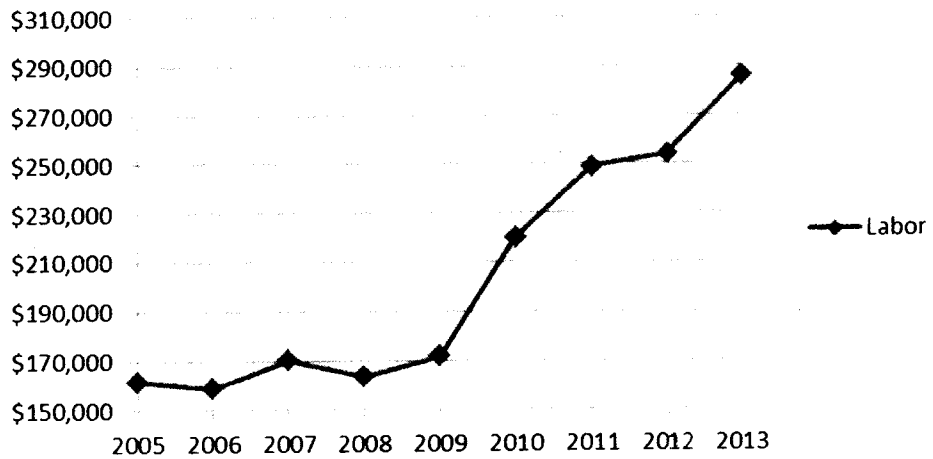
What will the additional revenue be used for:

- 1 Building to House Garbage Trucks
- 2 Land Purchase to build garage on.
- 3 New Garbage Trucks
- 4 Increased Wages
- 5 Scales - Hang Tags
- 6 Recycling

Landfill



Labor



Gas



City of Laurel
P O Box 10
Laurel MT 59044
Phone 623-7431
Fax 628-2289



May 27, 2014

RE: Proposed Solid Waste Rate Increase

Dear Customer,

Greetings from the City of Laurel. This letter is to inform you of an intent to raise the cost of disposing garbage for all residential and commercial users in the City of Laurel.

The City Council will hold a Public Hearing on June 17th, 2014 at 6:30 p.m. in the City Council Chambers at City Hall to hear citizen comments. The Council welcomes any and all comments in regards to the future rate structure.

Following is the Current Rate and Proposed Rate Structure for Solid Waste for the next 5 years:

Current:

Residential

July 13-June 14 \$11.80/month

Proposed:

Proposed Residential

July 14-June 15 \$12.80/month
July '15-June '16 \$13.05/month
July '17-June '18 \$13.30/month
July '18-June '19 \$13.55/month
June '19-July '20 \$13.80/month
July '20-June '21 \$14.00/month

Commercial

July 2013-June 2014 \$.0272/gallon

Proposed Commercial

July 2014-June 2015 \$.0296/gallon
July 2015-June 2016 \$.0302/gallon
July 2016-June 2017 \$.0308/gallon
July 2017-June 2018 \$.0314/gallon
July 2018-June 2019 \$.0320/gallon
July 2019-June 2020 \$.0325/gallon

These rates quoted above are calculated on the following percentages for all users:

Year 1	July 2014-June 2015	8.47% Increase
Year 2	July 2015-June 2016	1.95% Increase
Year 3	July 2016-June 2017	1.92% Increase
Year 4	July 2017-June 2018	1.88% Increase
Year 5	July 2018-June 2019	1.85% Increase
Year 6	July 2019-June 2020	1.45% Increase

The transfer site rates will remain the same.

The rate increase is due to increases in dumping fees at the landfill (up 123% since last rate increase), fuel costs (up over 216% since last rate increase) and an increase in labor costs.

Due to the frugal control of the Solid Waste Department the City has not raised the rates for the residential customers since 2000 and commercial customers since 2009.

Thank you for your patronage over the last few years and please come voice your opinion at the Public Hearing on June 17th, 2014. If you are unable to attend the meeting and would like to comment on the subject you may forward your comments to City of Laurel, P O Box 10, Laurel, MT 59044 or e-mail your comments to cityclerk@laurel.mt.gov.

Sincerely,



Mark A. Mace
Mayor, City of Laurel