



AGENDA ITEM SUMMARY

District Impacted

- ☐ 1 = Wolosin
- ☐ 2 = Woolard
- ☐ 3 = Scott
- ☐ 4 = Fowler
- ☐ 5 = Macaluso
- ☒ X All

AGENDA DATE	May 14, 2019
DESCRIPTION	CONSIDER ON SECOND READING ORDINANCE NO. 2019-14; AN ORDINANCE AMENDING ORDINANCE NO. 2003-02, CAPTIONED "CITY OF BOERNE SOLID WASTE COLLECTION AND DISPOSAL FRANCHISE AGREEMENT", DATED JANUARY 28, 2003, AND ENACTING A SECOND AMENDED CITY OF BOERNE SOLID WASTE COLLECTION AND DISPOSAL FRANCHISE AGREEMENT, ESTABLISHING THE RATES TO BE CHARGED FOR RESIDENTIAL AND COMMERCIAL SOLID WASTE COLLECTION AND DISPOSAL; AND PROVIDING THE TERMS AND CONDITIONS OF THE AGREEMENT."
STAFF'S RECOMMENDED ACTION (be specific)	Approve on second reading Ordinance No. 2019-14; amending Ordinance No. 2003-02, captioned "City of Boerne Solid Waste Collection and disposal Franchise Agreement", dated January 28, 2003, and enacting a second amended City of Boerne Solid Waste Collection and Disposal Franchise Agreement, establishing the rates to be charged for residential and commercial solid waste collection and disposal; and providing the terms and conditions of the agreement."
CONTACT PERSON	Molly Solis, City Attorney; Jeff Thompson, Deputy City Manager & General Manager of Utilities
SUMMARY	<p>The City of Boerne has an agreement with Waste Management of Texas, Inc. (WMI) to provide solid waste collection and disposal services to our community. They have been our provider for over 20 years. At times, over the last 12 years, staff has met with competitive providers, such as Tiger Sanitation and Republic Services to review our rates and service levels versus the market. On each occasion, the other entities stated they could not match the residential rates we are being charged by WMI. We have not gone through a formal bid process.</p> <p>We have been in negotiation with WMI officials, as well as their legal department, to finalize the details of a proposed amended agreement. It was agreed several months ago that we would continue with the current contract provisions until an amended agreement could be approved. The last rate increase was for residential customers in 2012. The current contract is from 2003.</p> <p>In our conversations with WMI, key points of the proposed amended agreement, which would include a five (5) year renewal, are as follows:</p>

	<ol style="list-style-type: none"> 1. Residential rates will be set at \$14.30 per month and will include weekly pick up of a 96-gallon trash cart, a 64-gallon recycling cart (a customer can request a 96 gallon), small brush and bulk pickup curbside monthly, and household hazardous waste on call pick up unlimited, year-round. These new provisions far exceed the services contained in our present contract at the same price per month. The residential rate will increase January 1 , 2020 by 2% or by the CPI as specified in the agreement, whichever is greater. 2. WMI has stated that commercial rates for Boerne are not in line with the market or with their rates in other cities. They propose that Commercial rates increase January 1, 2020 by 5%, then on January 1, 2021 by 5%, and in 2022 by 3% or the CPI whichever is greater; 2023 and 2024 by CPI as per contract. 3. The City will receive a 5% franchise fee on commercial accounts (as we do today). 4. Recycling must be conforming and not contain more than 27% contamination rate of non-recyclables by January 1, 2020 or a notice and cost report will be sent to the city. The city may have to pay a percentage of the cost for handling, processing, and transporting non-conforming recyclables. We plan to initiate a robust educational program to meet this goal. The recycling education program will begin immediately to ensure we are in compliance with recycling thresholds by January 1, 2020. 5. WMI will continue to provide roll-off containers for 5 City sponsored events per year at no charge. 6. WMI will continue to provide for fall and spring clean-up events at no charge. 7. WMI will continue to provide containers for city buildings and facilities as designated in Exhibit D at no charge. <p>Since the first reading we have continued to negotiate/refine some of the specific fees for service. We have included the proposed amended contract for Council's information as well as a copy of the final rate schedule with changes from the first reading approval highlighted. Also included is the power point presentation from WMI from the first reading of the ordinance. The April 23, 2019, presentation can be viewed online at the following link:</p> <p>https://boerne.legistar.com/LegislationDetail.aspx?ID=3925174&GUID=D6F77F57-71F6-44C0-BED2-735325FB9BAE&Options=&Search=</p>
COST	None
SOURCE OF FUNDS	N/A
ADDITIONAL INFORMATION	N/A

This summary is not meant to be all inclusive. Supporting documentation is attached.