

Agenda Report

TO: CITY COUNCIL

DATE: March 29, 2004

FROM: CITY MANAGER

SUBJECT: RESOLUTION TO CONSIDER GRANTING NON-EXCLUSIVE SOLID WASTE FRANCHISES AND SETTING A PUBLIC HEARING

RECOMMENDATION:

It is recommended that City Council:

1. Adopt a resolution declaring its intention to consider the granting of non-exclusive franchises for completed applications, and
2. Set a public hearing for April 26 at 8:00 p.m. to consider granting these franchises, and
3. Direct the City Clerk to publish the resolution at least once in a newspaper of general circulation in the City not less than ten days prior to the date set for the hearing.

BACKGROUND:

On November 3, 1992, the City Council adopted the Solid Waste Collection Franchise System. The purpose of that ordinance was to provide standards and procedures for the granting of non-exclusive franchises for solid waste collection and to generate revenue for the preparation and implementation of an integrated waste management plan and for other municipal purposes.

The franchise is a non-exclusive franchise, permitting the hauler to collect, transport, dispose and/or recycle solid waste kept, accumulated, or produced in the City. The terms and conditions are the payment of a franchise fee based upon 14% of gross monthly receipts, conformance with generally accepted accounting principles for all accounts and revenue arising out of the operations, and specified reporting of collection, disposal, waste reduction, and recycling activities.

To date, 27 applications have been received by the city and all meet the application requirements as set forth in the non-exclusive Solid Waste Franchise section of City Ordinance, 8.61.080.

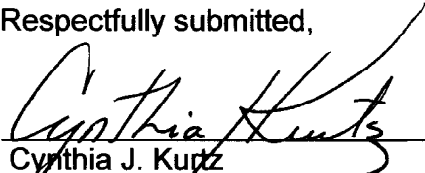
The term of this franchise shall be for one year beginning on the effective date of the ordinance approving each application, as specified by ordinance. There may be up to three additional renewal terms of one year each at the sole discretion of the City Manager, for a maximum potential franchise of four years. The franchisee has no vested or contract right in any such renewal term. There shall be no other renewals of a non-exclusive franchise, but any person, including any person whose franchise is not renewed, may submit a new application for a new non-exclusive franchise.

A public hearing shall be held at 8 p.m., on April 26, 2004, in the City Council Chambers at City Hall, or as soon thereafter as each of the matters may be heard. At the hearings, all persons desiring will be provided the opportunity to speak in favor of, or in opposition to, the granting of a non-exclusive franchise to the applicant.

FISCAL IMPACT

The City will receive a fee of 14 percent of gross customer receipts generated by each of the franchisees. It is estimated that approval of these 27 applications will generate approximately \$1,195,000 in revenue per fiscal year. Franchisees are required to submit monthly revenue and fee reports to the City. Franchisees are subject to, and the City performs, random audits annually to insure that the information provided to the City is accurate.

Respectfully submitted,



Cynthia J. Kurtz
City Manager

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