



CITY COUNCIL AGENDA REPORT

February 1, 2016

TO: Mayor and Councilmembers

FROM: Lourdes Aguirre, Finance Director

SUBJECT: Resolution No. 16-01

AFFECTED DEPARTMENTS: City-wide

ITEM REQUEST: Intergovernmental Agreement – Solid Waste Collection

TITLE OF AGENDA ITEM:

RESOLUTION NO.16-01 OF THE MAYOR AND COUNCIL OF THE CITY OF SOUTH TUCSON, ARIZONA, RATIFYING, APPROVING, AND ADOPTING THE INTERGOVERNMENTAL AGREEMENT (“IGA”) BETWEEN THE CITY OF TUCSON, (“TUCSON”) ARIZONA, AND THE CITY OF SOUTH TUCSON, (“SOUTH TUCSON”) ARIZONA, FOR THE MANAGEMENT AND IMPLEMENTATION OF SOLID WASTE COLLECTION SERVICES WITHIN SOUTH TUCSON CITY LIMITS

EXECUTIVE SUMMARY:

This resolution approves an intergovernmental agreement between the City of South Tucson and the City of Tucson for solid waste collection services within city limits. Two options for service have been presented. They are as follows:

Option 1

Service will include the delivery of recycle bins, weekly refuse/recycle service, brush & bulky pick up, low income credit for those who qualify, and roll-off services for neighborhood cleanups. Additional refuse containers and additional service will be available at an additional fee. Implementation support will include up to 3 public annually meetings with a City of Tucson Department Administrator and one mailing to all residents on the collection program.

Proposed rate: The rate for this option was proposed at \$19.68/month which includes \$1.05 for the “in lieu” use tax that the City of Tucson must charge for providing the service to another jurisdiction in accordance with A.R.S §§ 9-511.03.

Option 2

Includes all services listed in Option 1, except for brush & bulky pick up.

Proposed rate: The rate for this option was proposed at \$18.26/month which also includes \$1.05 for the “in lieu” use tax that the City of Tucson must charge for providing the service to another jurisdiction in accordance with A.R.S §§ 9-511.03.

A rate breakdown & comparison can be found on page 2 of this report. All residents who may qualify for the low income credit of \$12.00 will be encouraged to apply.

RECOMMENDATION(S): Motion to select the preferred option and approve Resolution No. 16-01

Attachment(s): Resolution, Intergovernmental Agreement (including Exhibit A)

City Manager Concurrence: _____

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City of South Tucson Rate breakdown & comparison

City of South Tucson	City of Tucson	Variance
OPTION 1 (all service)		
Fee Breakdown		
\$ 18.63 original base rate	\$ 16.75 City of Tucson current rate	\$ 1.88
\$ 1.05 "in lieu" use tax (ARS 9-511.03)	\$ - n/a	
<u>\$ 19.68 final rate</u>	<u>\$ 16.75 final rate</u>	
Low income credit		
\$ 19.68	\$ 16.75	
\$ (12.00) low income credit for those who apply & qualify	\$ (12.00) low income credit for those who apply & qualify	
<u>\$ 7.68</u>	<u>\$ 4.75</u>	
OPTION 2 (excludes brush & bulky)		
Breakdown		
\$ 18.63 all inclusive rate		
\$ (1.42) exclude brush & bulky service		
\$ 17.21 base rate	\$ 16.75 City of Tucson current rate	\$ 0.46
\$ 1.05 "in lieu" use tax (ARS 9-511.03)	\$ - n/a	
<u>\$ 18.26 final rate</u>	<u>\$ 16.75 final rate</u>	
Low income credit		
\$ 18.26	\$ 16.75	
\$ (12.00) low income credit for those who apply & qualify	\$ (12.00) low income credit for those who apply & qualify	
<u>\$ 6.26</u>	<u>\$ 4.75</u>	

Note:

The "base rate" is determined by a cost analysis conducted by the City of Tucson.

In this analysis all costs associated with the delivery of the service, such as labor, fuel, equipment and disposal are accounted for. The total cost is then split amongst the residential volume. Because the residential volume is higher in the City of Tucson, their base rate is slightly lower than ours.

The City of South Tucson has been reassured that all of the metrics/variables used to prepare its cost analysis are the same as those used by the City of Tucson for their jurisdiction.