

NAPLES CITY COUNCIL AGENDA MEMORANDUM

Regular Meeting Date: June 1, 2016

Agenda Section: Regular	Prepared By: Ann Marie S. Ricardi, Director Department: Finance
Agenda Item: 15	Legislative <input checked="" type="checkbox"/> Quasi-Judicial <input type="checkbox"/>

SUBJECT:

A Resolution amending Appendix "A", Fees and Charges Schedule of the Code of Ordinances to reflect the US Consumer Price Index increase for the Water and Sewer, Stormwater Management and Solid Waste Collection Rates.

SUMMARY:

City Council is asked to consider a Resolution relating to Water and Sewer Rates, Stormwater Management Utility Fees, and Solid Waste Collection Rates, amending Section 30-9(a) Monthly Rates, Fees and Charges; amending Section 30-336, Stormwater Management Utility Fees and Section 32-71, Collection of Refuse Types I and II of Appendix "A", Fees and Charges Schedule of the Code of Ordinances to reflect annual rate adjustments based upon the United States Consumer Price Index.

BACKGROUND:

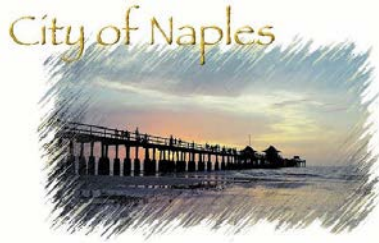
The rate structure for the City's utilities, stormwater and solid waste management were designed to support the ongoing operations of each Enterprise fund. The rate structure was developed assuming annual rates would be adjusted based upon a defined index. The purpose of an index is to ensure that the rates stay sustainable, without requiring major rate or structure changes in the future, assuming no major changes in operations or capital improvements.

Per the City Code, the rates are to be increased every October 1 by the percentage increase of the United States Consumer Price Index. The City uses the December annual CPI-U index. The United States Consumer Price Index increased by 0.1% based on the Annual CPI-U. This percentage represents the difference between the December 2014 and the December 2015 rates. Although this percentage is small, the intent of the use of an index was to avoid large rate jumps.

Section 30-9 (a) of the Code of Ordinances provides the water and sewer rates are increased annually. Application of this index will change a residential customer's monthly water and sewer base fees from \$27.71 to \$27.74 on a 3/4" water meter. A multifamily customer's monthly water and sewer base fees will change from \$20.98 to \$21.01. A commercial customer's monthly water and sewer base fees will change from \$19.80 to \$19.82 for a 3/4" water meter. The average reuse customer's monthly base fee will increase from \$10.00 to \$10.01 for a 1" meter. There are no increases for consumption rates.

Section 30-336 of the Code of Ordinances provides that stormwater rates are increased annually. Application of this index will change the monthly stormwater rate from \$13.05 to \$13.07.

Section 32-71 of the City Code establishes an annual adjustment for Solid Waste fees. The single family residential solid waste rate is made up of three components. Type I (Household waste), Type II (Horticulture/yard waste) and Tipping fees.



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Page Two

Agenda Item:

15

BACKGROUND (cont.):

This resolution will apply the current year CPI (0.1%) to the current Type I and Type II rates, and will also pass on the Collier County solid waste tipping fee increase of 12.34% (which consists of two years of increases; the current year of 10% and last year's increase of 2.13% which was inadvertently not added. Note that mathematically, one cannot simply add percentages to get a new total. Instead, the 2.13% must be applied, then the 10% must be applied, which results in 12.34% increase.). The annual residential single family rate will therefore be increasing from \$255.25 (*Type I \$138.61+ Type II 56.03+ tipping 60.61*) to \$262.92 (*Type I \$138.75+ Type II \$56.09+ tipping \$68.08*).

FUNDING SOURCE:


The revenue derived from the indexed rates will be reflected in the proposed FY 2016-17 budget.

RECOMMENDED ACTION:

Approve a Resolution relating to Water and Sewer Rates, Stormwater Management Utility Fees, and Solid Waste Collection Rates, amending Section 30-9(a) monthly rates, fees and charges; amending Section 30-336, Stormwater Management Utility Fees and Section 32-71, Collection of Refuse Types I and II, of Appendix "A", Fees and Charges Schedule of the Code of Ordinances to reflect annual rate adjustments based upon the United States Consumer Price Index.

Reviewed by Department Director
Ann Marie Ricardi

Reviewed by Finance
Ann Marie Ricardi

Reviewed by City Manager
A. William Moss 

City Council Action: