

**SUMMARY and FISCAL NOTE\***

<b>Department:</b> Seattle Public Utilities	<b>Contact Person/Phone:</b> Srinivas Duggirala/3-7153	<b>Executive Contact/Phone:</b> Aaron Blumenthal/3-2656
--	---	--

*\* Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

**1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE relating to the solid waste system of Seattle Public Utilities; revising rates and charges for solid waste services; revising credits to low income customers for solid waste services; and amending Chapters 21.40 and 21.76 of the Seattle Municipal Code.

**Summary and background of the Legislation:** The ordinance proposes the following adjustments to most solid waste rates on April 1<sup>st</sup> of each year: 7.2% in 2017, 1.9% in 2018, and 4.0% in 2019. Rate adjustments were last approved in 2014 for 2015 and 2016. The increased rates will fund the completion of the NTS and STS phase 2 projects, an expanded UDP program, and increase in the City Utility Tax intended to pay for encampment and illegal dumping cleanup programs. The proposed rate adjustments comply with the average overall rate path limit target of 4.6% per year as established by the SBP.

**2. CAPITAL IMPROVEMENT PROGRAM**

This legislation creates, funds, or amends a CIP Project.

**3. SUMMARY OF FINANCIAL IMPLICATIONS**

This legislation has direct financial implications.

<b>Budget program(s) affected:</b>				
<b>Estimated \$ Appropriation change:</b>	<b>General Fund \$</b>		<b>Other \$</b>	
	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>
<b>Estimated \$ Revenue change:</b>	<b>Revenue to General Fund</b>		<b>Revenue to Other Funds</b>	
	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>
	\$0	\$3,857,138		
<b>Positions affected:</b>	<b>No. of Positions</b>		<b>Total FTE Change</b>	
	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>
<b>Other departments affected:</b>	Several City departments incur solid waste costs. These costs will increase commensurate with the rate increases proposed in this legislation			

**3.a. Appropriations**

       This legislation adds, changes, or deletes appropriations.

**3.b. Revenues/Reimbursements**

  X   This legislation adds, changes, or deletes revenues or reimbursements.

**Anticipated Revenue/Reimbursement Resulting from this Legislation:**

<b>Fund Name and Number</b>	<b>Dept</b>	<b>Revenue Source</b>	<b>2016 Revenue</b>	<b>2017 Estimated Revenue</b>
45010 Solid Waste Fund	SPU	Rates	\$0	\$9,523,935
<b>TOTAL</b>			\$0	\$9,523,935

Revenue/Reimbursement Notes:

This legislation will generate \$9.5 million in 2017 with a 7.2% rate increase on April 1, 2017. A 1.9% rate increase in 2018 will generate \$15.4 million (over 2016 rates) and a 4.0% rate increase in 2019 will generate \$22.0 million (over 2016 rates). The additional revenue is necessary to cover an increase to the Solid Waste Utility Tax rate, an expansion of the Utility Discount Program, capital financing, and regular inflation updates.

**3.c. Positions**

       This legislation adds, changes, or deletes positions.

**4. OTHER IMPLICATIONS**

- a) **Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?**  
 No.
- b) **Is there financial cost or other impacts of not implementing the legislation?**  
 The Solid Waste Fund may not meet its financial policy targets.
- c) **Does this legislation affect any departments besides the originating department?**  
 Several City departments incur solid waste costs. These costs will increase commensurate with the rate increases proposed in this legislation. Utility tax payments to the General Fund will increase.
- d) **Is a public hearing required for this legislation?**  
 No

- e) **Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?**  
No.
- f) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**  
No.
- g) **Does this legislation affect a piece of property?**  
No
- h) **Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?**  
This legislation increases rates for all residential and commercial customers, adjusts discounts and credits for qualified UDP customers, and provides enough additional revenue to cover an expansion of the UDP program.
- i) **If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.**  
No.
- j) **Other Issues:**

**List attachments/exhibits below:**

Exhibit A - Seattle Public Utilities 2017-2019 Solid Waste Rate Study