

SUMMARY and FISCAL NOTE*

Department:	Contact Person/Phone:	Executive Contact/Phone:
Seattle Public Utilities	Peter Lindsay/4-5336	N/A

* 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 authorizing the CEO/General Manager of Seattle Public Utilities to execute an amendment to the contract with Waste Management of Washington, Inc., for waste disposal and transportation services; amending Ordinance 125207, which adopted the 2017 Budget, changing appropriations for Seattle Public Utilities; and ratifying and confirming certain prior acts.

Summary and background of the Legislation: SPU contracts with Waste Management of Washington for transportation and landfill disposal of all garbage generated in the City of Seattle. The contract began in 1990 and ends in 2028. It is currently valued at \$13 million per year. The City has an option to opt out of the contract in March 2019.

Seattle Public Utilities has completed negotiations to delay this opt out option to March 2024. In exchange, SPU would receive contract savings that increase from about \$600,000 annually in April 2017, to about \$1.4 million per year in 2021. This legislation would authorize SPU to sign the negotiated amendment with Waste Management.

To preserve the Council’s appropriation authority the legislation reduces SPU’s 2017 appropriations by \$466,000 to align SPU’s budget with the projected contract savings.

2. SUMMARY OF FINANCIAL IMPLICATIONS

 X This legislation has direct financial implications

Budget program(s) affected:				
Estimated \$ Appropriation change:	General Fund \$		Other \$	
	2017	2018	2017	2018
	\$0	\$0	-\$466,000	-\$625,000
Estimated \$ Revenue change:	Revenue to General Fund		Revenue to Other Funds	
	2017	2018	2017	2018
	\$0	\$0	\$0	\$0
Positions affected:	No. of Positions		Total FTE Change	
	2017	2018	2017	2018
	0	0	0	0
Other departments affected:	None			

3.a. Appropriations

X This legislation adds, changes, or deletes appropriations.

Fund Name and number	Dept	Budget Control Level Name/#*	2017 Appropriation Change	2018 Estimated Appropriation Change
45010	SPU	General Expense (N000B-SW)	-\$466,000	-\$625,000
TOTAL			-\$466,000	-\$625,000

*See budget book to obtain the appropriate Budget Control Level for your department.

Appropriations Notes:

The contract terms associated with this legislation provide for a \$2.00/ton discount starting April 1, 2017. Total savings are approximately \$466,000 in 2017 for the nine months for which the discount is in effect. In 2018, when the discount will be in effect for the whole year, savings are estimated at \$625,000.

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?

The contract associated with this legislation provides a \$2.00/ton discount on April 1, 2017, an additional \$2.00/ton discount on April 1, 2019 (for a total of a \$4.00/ton discount), and lastly an additional \$0.50/ton discount on April 1, 2021 (for a total \$4.50/ton discount).

Annualized savings (inclusive of all prior discounts) are estimated at \$1,269,000 per year for the combined 2017 and 2019 discounts and then \$1,435,000 annually with the additional 2021 discount. These savings will be passed along to solid waste ratepayers through the rate study process.

b) Is there financial cost or other impacts of not implementing the legislation?

This legislation is necessary for SPU to continue to dispose of non-recyclable solid waste.

c) Does this legislation affect any departments besides the originating department?

No.

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?

None.

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:

None.

List attachments/exhibits below: