

**CITY OF FARMINGTON
CITY COUNCIL WORK SESSION AGENDA
May 20, 2014 – 9:00 a.m.**

DEPARTMENT HEAD REPORTS

1. Fiscal Year 2015 Budget Hearing #3 (Rob Mayes and Andy Mason)

Action Requested of Council:

Provide direction to staff on how to proceed with developing the Fiscal Year 2015 preliminary budget.

2. Proposed ordinance amending Section 23-2-7 of the City Code to provide for an increase in residential and commercial charges for sanitation service (Jay Burnham) ----- 1

Action Requested of Council:

Grant permission to draft an ordinance and publish Notice of Proposed Ordinance.

Background/Rationale:

The solid waste sanitation disposal services contract between the City and Waste Management of New Mexico, Inc., dated July 1, 2008 requires annual rate adjustments based on the CPI information from the Department of Labor, Bureau of Labor Statistics, and an adjustment based on changes in fuel costs. This year the CPI adjustment is an increase of 1.134 percent and there is no fuel cost adjustment. Certain rates and fees for sanitation service need to be amended to bring charges in line with the provisions of the contract. The proposed amendments to Section 23-2-7 of the City Code will allow the City to fulfill its obligations under the contract.

Staff Recommendation:

Grant permission to draft an ordinance and publish Notice of Proposed Ordinance.

Instructions Upon Approval:

Draft and publish notice of proposed ordinance with final action scheduled for June 10, 2014. The new rates will become effective with the first billing cycle in July.

Budgetary Impact:

Revenue neutral except for increase in rates for City facilities.

3. Proposed Resolution No. 2014-1504 expressing the City's support of the efforts by the Navajo Nation, Arizona Public Service, BHP Billiton, and others to obtain the necessary approvals to continue to operate the proposed restructured Four Corners Power Plant and Navajo Mine Project (Jay Burnham)----- 2

Action Requested of Council:

Consideration of adoption of Resolution No. 2014-1504.

Background/Rationale:

The owners and operators of the Four Corners Power Plant and Navajo Mine Project (Project) are seeking a number of governmental approvals after undergoing a restructuring of the plant (the closing of three of the five units) and a sale of the mine (from BHP Billiton to the Navajo Transitional Energy Company). The granting of the approvals will ensure that the Project will continue to operate. The parties involved in the continued operations of the Project would like the City to consider lending its support to their efforts to receive these approvals.

Staff Recommendation:

Adopt Resolution No. 2014-1504.

Instructions Upon Approval:

Distribute copies of Resolution No. 2014-1504 to all entities involved.

Budgetary Impact:

None.

COUNCIL BUSINESS

AGENDA ITEM SUPPORT MATERIALS ARE AVAILABLE FOR INSPECTION AND/OR PURCHASE AT THE OFFICE OF THE CITY CLERK, 800 MUNICIPAL DRIVE, FARMINGTON, NEW MEXICO.

ATTENTION PERSONS WITH DISABILITIES: The meeting room and facilities are fully accessible to persons with mobility disabilities. If you plan to attend the meeting and will need an auxiliary aid or service, please contact the City Clerk's Office at 599-1106 or 599-1101 prior to the meeting so that arrangements can be made.

City of Farmington – Public Works Dept.

INTER

OFFICE

MEMO

To: Rob Mayes, City Manager

From: David Sypher, P.E., Public Works Director

Date: May 6, 2014

Subject: Annual Sanitation Rate Adjustment

The City of Farmington entered into the current Refuse Collection Contract with Waste Management on July 1, 2008. Pursuant to Section 32 (a) of the Refuse Collection Contract Waste Management rates are adjusted annually. Pursuant to the contract they are due a 0.75% of the CPI-U index. This calculation is based upon figures received from the United States Department of Labor, Bureau of Labor Statistics.

Pursuant to Section 32(b) of the contract they also are due a fuel adjustment based on the United States Department of Energy, Energy Information Administration, Retail On-Highway Diesel Prices Index for the Rocky Mountain Region. Therefore certain rates and fees for sanitation service need to be amended to bring charges in line with the provisions of the 2008 Refuse Collection Contract. Amendments to Section 23-2-7 of the Farmington City Code will allow the City to fulfill its obligations under the contract.

	Existing July 1, 2013	Proposed July 1, 2014	Difference
Residential Poly-cart Rate	\$ 15.39/mo.	\$ 15.51/mo.	\$ 0.12
Commercial Poly-cart Rate	\$ 17.44/mo.	\$ 17.62/mo.	\$ 0.18

See attached Memo from Jeff Smaka dated May 1, 2014 for CPI-U and Fuel adjustment calculations. For your information there will only be a price increase due to the CPI-U and not a fuel adjustment. The fuel adjustment criteria in the contract were not met this year.

If you have any questions, please call me at Extension 1063.

cc: Jay Burnham, City Attorney

Inter-Department

MEMORANDUM

To: David Sypher, P.E., Public Works Director
From: Jeff Smaka, P.E. Water / Wastewater Administrator
Date: May 1, 2014
Subject: Sanitation Rate Adjustment – July 2014

Waste Management has submitted the statistics for the annual sanitation rate adjustment, and I have obtained the CPI-U information from the Department of Labor, Bureau of Labor Statistics. There is no fuel adjustment this year.

	CPI-U
Residential	1.134%
Residential Recycling	1.134%
Commercial	1.134%
Commercial Misc.	1.134%
Residential Misc.	1.134%

The monthly residential polycart rate has gone from \$10.69 plus \$4.70 for recycling totaling \$15.39 to \$10.81 plus \$4.70 for recycling totaling **\$15.51**. The monthly commercial polycart rate has gone from \$15.69 plus \$1.75 for the recycling facility charge totaling \$17.44 to \$15.87 plus \$1.75 for the recycling facility charge totaling **\$17.62**.

Unless there is an objection from the City of Farmington, the rates will become effective with the first billing cycle for July, 2014.

SANITATION RATES W/RECYCLING CHARGE
Effective first billing for July 2014

*****All prices include recycling charge of \$1.75*****

RESIDENTIAL - 4 UNITS OR LESS	\$15.51	
Low Income Single Residential Service	\$10.81	
Additional polycarts (each)	\$2.90	
ALL BUSINESSES & HOME OCCUPATION (ONE OR MORE CUBIC YARD TRASH GENERATION)	\$17.62	
Additional polycarts (each)	\$15.87	

*****There is only one recycling charge per location *****

CONTAINER SERVICE RATES

Frequency of Collection Per Week

Cubic Yds.	1	2	3	4	5	6	7
1 1/2 or less	\$44.08	\$73.74	\$103.37	\$132.91	\$162.56	\$192.15	\$222.02
2	\$58.63	\$92.87	\$127.14	\$161.36	\$195.64	\$229.88	\$264.12
3	\$69.07	\$119.30	\$161.99	\$208.38	\$254.84	\$301.31	\$347.70
4	\$83.02	\$138.73	\$194.48	\$250.22	\$305.94	\$361.66	\$417.33
6	\$109.73	\$179.36	\$253.50	\$318.73	\$388.32	\$457.98	\$527.64
8	\$145.66	\$222.37	\$298.96	\$375.58	\$452.17	\$528.82	\$605.41

MISCELLANEOUS FEES

Lid Lock	\$3.13	Polycart Autolock	\$4.76	Dumpster Lock	\$9.52
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SPECIAL ACCESS SERVICE CHARGES (open gates, container on rollers, etc.)

Frequency of Collections Per Week

	1	2	3	4	5	6	7
	\$10.23	\$20.44	\$30.66	\$40.91	\$51.10	\$61.34	\$71.54

Commercial Container Cleaning & Sanitizing - \$80.54

RESOLUTION NO. 2014-1504

A RESOLUTION EXPRESSING THE CITY OF FARMINGTON'S SUPPORT OF THE EFFORTS BY THE NAVAJO NATION, ARIZONA PUBLIC SERVICE, BHP BILLITON AND OTHERS TO OBTAIN THE NECESSARY APPROVALS TO CONTINUE TO OPERATE THE PROPOSED RESTRUCTURED FOUR CORNERS POWER PLANT AND NAVAJO MINE PROJECT

WHEREAS, the Navajo Nation, operating through the Navajo Transitional Energy Company (NTEC), recently acquired the Navajo Mine at the Four Corners Power Plant (FCPP) from BHP Navajo Coal Company and entered into an agreement with BHP Billiton (BHP) to operate the mine through 2016; and

WHEREAS, the Four Corners Power Plant was recently reconfigured by the closing down of three of its five units in order to reduce air emissions and meet EPA visibility regulations; and

WHEREAS, NTEC, BHP and Arizona Public Service Company (APS), as operator of FCPP, are seeking to obtain the necessary land leases, environmental and regulatory permits, and other approvals from multiple state, tribal and federal agencies needed to operate the plant and mine into the future in order to continue to generate much needed electricity; and

WHEREAS, the continued operation of the Four Corners Power Plant and Navajo Mine Project (Project) will directly preserve approximately 758 highly skilled high-paying jobs occupied by local residents generating over 100 million dollars in income, provide additional indirect jobs and income to supporting businesses in the area providing goods and services to the Project, preserve the payment of tax revenues to San Juan County, and will provide significant direct and indirect economic benefits to the City of Farmington, San Juan County and the Four Corners Region.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF FARMINGTON, that:

The City of Farmington expresses its support for the continued operation of the Four Corners Power Plant and Navajo Mine Project (Project);

The City urges all state, tribal and federal agencies to quickly and expeditiously grant the necessary leases, permits and other approvals necessary for the Project to continue its current operations into the future; and

City Staff is directed to forward copies of this resolution to NTEC, BHP, APS, the Navajo Nation, the Environmental Protection Agency, the US Fish and Wildlife Service, the NM Office of Surface Mining Reclamation, and all other agencies that Staff may determine are involved in this re-permitting process for the Project.

PASSED, APPROVED, SIGNED AND ADOPTED this 20th day of May, 2014.

Tommy Roberts, Mayor

ATTEST:

Dianne Smylie, City Clerk