



CITY OF MCKINNEY, TEXAS

Legislation Text

File #: 21-0361, **Version:** 1

Consider/Discuss/Act on an Ordinance Amending “Appendix A - Schedule of Fees of the Code of Ordinances of the City of McKinney to Provide for Amended Deposits and Fees for the Collection and Disposal of Solid Waste and Recyclable Material in the City; Providing for Amended Airport Service Fees for Transient Airport During Special Events; Providing for the Repeal of Conflicting Ordinances; Providing a Severability Clause; and Providing for an Effective Date.

COUNCIL GOAL: Operational Excellence - 2B: Balance Available resources to accommodate the growth and maintenance needs of the city.

MEETING DATE: May 4, 2021

DEPARTMENT: City Manager’s Office & Airport

CONTACT: Steve Tilton, Assistant City Manager
Ken Carley, Director of Airport

RECOMMENDED CITY COUNCIL ACTION:

- Approve ordinance

ITEM SUMMARY:

Solid Waste

- The ordinance would approve fee changes related to the City’s solid waste & recycling services as part of an amendment to the City’s agreement with Waste Connections, Lone Star, LLC. The ordinance also approves changes to certain airport fees during special events.
- Upon completion, the amendment will allow for the following increases to three (3) different components of the agreement:
 - Residential Collection: \$1.60 increase per month per home
 - Commercial Collection: 25% increase over three-year period (10%, 10% and 5%)
 - Downtown Collection amended as follows:
 - Low - \$63.30
 - Moderate - \$279.84
 - High - \$583.49
- Waste Connections will be required to increase their performance bond from \$1,000,000 to \$2,000,000.

- Waste Connections will no longer be required to make a minimum recycling revenue payment to the City.

Airport

- The Ordinance amends certain airport fees during special events for a period not to exceed seven (7) days.
- The Airport Director shall conspicuously post a notice of the dates when the special events fees shall be in effect not less than five (5) days prior to such an event.

BACKGROUND INFORMATION:

Solid Waste

- Relationship with original company (IESI/Progressive Waste Solutions) dates back to 1996. (Through subsequent mergers and acquisitions, parent company is now Waste Connections.)
- Current contract agreement executed in 2008 with termination in September 2017, amended in 2013 extending expiration date to September 30, 2024.
- Since 2008, eight (8) contract service fee increases approved based on CPI-U (*).
- McKinney has not increased its collection rate (\$15.36) to residents since Oct. 1, 2006.
- 2016 - Waste Connections merged with Progressive Waste Solutions and Waste Connections took over management of the agreement.
- 2018 (Feb.) - City receives request from Waste Connections for rate increases. (Similar request made to Frisco, another full-service customer of Waste Connections)
- 2018 (March) - Per Council direction, City retains services of Burns & McDonnell to analyze the request and provide a market perspective/recommendation.
- 2018/2019 - Staff and BKD (Audit Firm) conduct financial review/assessment.

Airport

- It is a common practice for FBOs to increase fees during special events
 - Masters Tournament, Superbowl, etc.
- The City incurs additional costs to provide services during special events, when demand increases significantly
 - Employee overtime
 - Supplemental equipment rentals
 - Fuel truck
 - Ground power units
 - Aircraft tug (including tow bars and tow heads)
 - Shuttle van
 - Additional crew cars
- No fee impacts to airport tenants/based customers
 - Transient operators only
 - Only for the duration of a high demand event
 - Primarily equipment service fees and parking/hangar fees
 - No increase in fuel pricing
- For the 2021 Byron Nelson Tournament
 - Expect Additional 15-30 aircraft per day

- Additional \$20,000 spent in equipment rentals

FINANCIAL SUMMARY:

Solid Waste

- As part of the amendment, the City will make a one-time payment to Waste Connections in the amount of \$705,922. Funds for this payment will be drawn from the City's Solid Waste Fund.

BOARD OR COMMISSION RECOMMENDATION:

- N/A