



**CITY OF BLACKFOOT
SPECIAL CITY COUNCIL MEETING
MINUTES FROM JUNE 21, 2022**

ROLL CALL

Those in attendance were: Councilman Brown, Councilman Gardner, Councilman Jensen, and Councilwoman Simpson.

MAYOR MARC CARROLL

Presentation from FCS on Proposed Sanitation Rates

Consultants from FCS Group presented a draft of the Sanitation Utility Rate Study. Those who participated from FCS group for the presentation were Angie Sanchez Virnoche, Principal, Matt Hobson, Project Manager, and Amanda Levine, Sr. Analyst. An overview of the utility rate study and financial forecasting methodology was presented. Utility rate setting generally includes three key analytical steps. 1) Revenue Requirement is the total amount of money that the city must collect to pay expenditures to provide services. 2) Cost of Service is the proportional allocation of the revenue requirement to the City's customer classes, such as residential and Commercial. 3) Rate Design, a rate structure or fee for service assessed to customers that will generate sufficient revenue.

An overview of the Sanitation Department utilization includes residential garbage collection, there are approximately 4,000 customers that the city provides weekly collection service with 100-gallon garbage cans. Commercial Garbage Collection services are provided to approximately 400 customers 1-5 times per week with 300-to-600-gallon dumpsters. Policies and forecast assumptions include a forecasted time frame from FY 2022 to FY 2026 and forecast that general cost, labor & benefits inflation to be 3.25%, 3.75% and 11.00% respectively, and customer growth of 2.00% annually. Between 2022-2026 it is estimated that the capital program will total to approximately \$1.5 million for garbage truck replacements, container replacements, pickup truck, and additional garbage trucks.

For the Cost-of-service analysis (COSA), an overview of the methodology and revenue recovery results was presented. The general methodology includes defining customer classes, activity cost allocation, cost classification and customer class allocation, cost of service analysis. The COSA analysis provides a rational basis for distributing the full costs of a utility to each class of customers in proportion to the demands they place on the system. A breakdown of the cost of service with 2.25% rate increase was presented. Results for residential suggest existing rates are above cost of service and results from commercial suggest existing rates are below cost of service. COSA billing proposal would be a Phase-In Plan for commercial rates and would include an increase in cost of 5.50% in FY 2023 and 5.25% in FY 2025 for commercial metal dumpsters, this would hold a residential percentage increase at 0.00% from FY 2023 to FY 2025. This three-year plan is to transition existing rates towards cost-of-service. A full COSA implementation would include 17.64% decrease for residential services on 100-gallon cans and a 17.35% Increase for commercial 300-gallon dumpsters. FCS Group provided a proposed rate schedule for residential garbage and commercial garbage from 2022 to 2026.



ADJOURNMENT

The City Council meeting was adjourned at 7:45 P.M.

City of Blackfoot

Mayor Marc Carroll

Attest:

City Clerk Suzanne McNeel

Prepared by:

Patty Ojeda