

Solid Waste & Recycling Stakeholder's Group

June 11, 2019



James R. Clinch, PE, Director of Public Works & Asset Management
Bob Moroni, Solid Waste/Recycling Superintendent
Lee Lichtle, Stakeholder Chairman

Stakeholder Group History

- Formed in 2016 to review Schedule of Rates
- Worked with Kessler Consulting - Rate Study
- Presented to City Council April 25, 2017
- Adopted Can Service Rate Increases:
 - FY17=5%; FY18=5%; FY19=5%; FY20=4%; FY21=3%; FY22=1%
- Adopted Roll-Off Rate Increases:
 - 100% over two years
- Started the Fleet Automation Process - 2016

Current Stakeholder Group

- Formed January 8th, 2019 - Resolution 2019-01
- Final product and presentation by:
September 30th, 2019
- Group of seven (7) City residents representing a variety of solid waste and recycling customers
- Single Family, Multi-Family & Commercial/Business
- 6 of the 7 Original Stakeholder Members

Stakeholder Goals

- Engage in a study of Solid Waste & Recycling Operations
- Identify operational efficiency improvements
- Review rates, budgets and identify additional revenue sources
- Recommend measures to accommodate growth
- Recommend measures to offset the ongoing recycling disposal issue

Stakeholder Meeting Summary

Six (6) Meetings over a four (4) month period:

- **2/1/19:** Introductions, Training & Goals
- Review of Operations, Cost of Service & Revenue Sufficiency:
 - **2/22/19:** Roll-Offs & Impact Fees
 - **3/15/19:** Recycling
 - **3/29/19:** Solid Waste
- **4/26/19:** Collection Schedule Options
- **5/13/19:** FY20 & FY21 Budget Review & Final Recommendations

Proposed FY20 & FY21 Budget

Incorporates Stakeholder revenue recommendations:

- Previously approved SW Rate increases (4% FY20, 3% FY21)
- Private Hauler Fee Program (\$75K)
- New Customer - Automated Can Fee (\$35K)
- Recycling Grant - Submitted 5/17/19 (\$188K)
- FEMA Irma Revenue (\$224k)

Proposed FY20 & FY21 Budget

- FY20 includes “one-time” Automation Can purchases to fully automate collection (PH4 Garbage = \$175k and Recycling = \$500k)
- FY21 Can Purchase reduced to \$50k
- Includes New Facility Design & Debt Service
- Recycling Surcharge remains unchanged
- Does not include a change in collection frequency

Proposed FY20 & FY21 Budget

Net Revenue (Presented to Stakeholders):

- FY19 Expected = (\$104,691)
- FY20 Budgeted = (\$31,338) - Fully Automated
- FY21 Projected = \$290,300
- FY21 Exceeds Target of 4 Months Operating Reserve
- Additional \$2M Reserve in 505 Fleet Fund - Currently

Stakeholder Recommendations

A. Rate Recommendations

1. Residential and commercial can garbage and recycling rates:
 - a) **Consensus.** Continue scheduled annual increases of 4% (10/1/19), 3% (10/1/20) and 1% (10/1/21).
2. Recycling rate surcharge:
 - a) **Consensus.** Keep temporary surcharge in place until recycling processor contract issues are resolved.
 - b) **Consensus.** Review 23% surcharge level at least semi-annually for adjustment up or down.
3. Roll-off rates:
 - a) **Consensus.** Recommended adding \$100 delivery and relocation fee to roll-off rates.
 - b) **Consensus.** Change annual rate increases to the same as #1.

A. Rate Recommendations

4. New private hauler fee, estimated at \$75,000 new revenues:
 - a) **Consensus.** Recommended staff proceed with Private Hauler Fee.
5. New can charge for new homes/businesses only:
 - a) **Consensus.** Recommended \$100 cart fee for one garbage cart and \$100 cart fee for one recycling cart.
 - b) **Consensus.** \$100 for each additional garbage and/or recycling cart.
6. Solid waste impact fee:
 - a) **Consensus.** Majority Support for a solid waste impact fee and recommend revisiting after impact fee study.

B. Annual Solid Waste Budget Recommendations

1. FY2020 Annual Solid Waste Budget:
 - a) **Consensus.** Recommend adopting proposed FY2020 Solid Waste budget, to be modified for rate recommendations above and/or new information that becomes available.
2. FY2020 - 2024 Capital Improvement Program - Solid Waste Vehicles:
 - a) **Consensus.** Recommend adoption.
3. FY2019 Solid Waste Budget:
 - a) **Consensus.** Freeze purchase of roll-off containers temporarily to minimize deficit and utilize existing inventory.
4. FY2020 - 2021 Budget Solid Waste Personnel:
 - a) **Consensus.** Freeze FTE's at current levels for FY2020 budget. Recommend reviewing again after full automation, expecting efficiency improvement to accommodate growth.

C. Operational Recommendations

1. Recycling processing and disposal contract:

- a) **Consensus.** Encourage Sarasota County to seek a resolution of a new recycling processor contract with the county. (Indicated August 2019)

2. New Solid Waste Facility:

- a) **Consensus.** Accelerate the acquisition of a parcel to relocate Solid Waste to east of I-75, and construction of a new facility, parking area, gas pumps, and fleet repair bays and Identify alternative parcels if County negotiations fall through.

3. Automation:

- a) **Consensus.** Complete garbage collection automation in FY2020. Proceed to full single-stream automated recycling collection as soon as possible to eliminate requirements for dual fleets (target completion spring of 2020).

1. Automation will include conversion to single stream collection
2. Apply for partial grant funding of cans and marketing program
3. Purchase and exchange new recycling cans in FY2020
4. Recommended 65 gallon minimum can size (Grant Requirement)
5. Coordinate marketing/informational program with County

C. Operational Recommendations

4. Garbage collection frequency - can collection only:

- a) **Voted on and passed 3 votes to 2.** After citywide automation is completed (spring of 2020), switch to once per week garbage collection for residential and commercial can customers to improve operational efficiency and realize budgetary savings.

Potential Operational Savings Up to \$257,300 Annually

- *40% Fuel Costs = \$26,900*
- *40% Maintenance Costs = \$66,825*
- *2 Positions = \$60,000 x 2 = \$120,000*
- *1 Truck = \$43,575*
- *Less New Can Purchases (estimated at \$135,000 one-time cost)*

Effect on Monthly Bill = Dependent on Actual Savings Achieved

Fuel & Maintenance only = \$0.63/Month

Include defer future truck and 2 positions = \$1.73/Month

C. Operational Recommendations

4. Garbage collection frequency - can collection only:

- a) **Voted on and passed 3 votes to 2.** After citywide automation is completed (spring of 2020), switch to once per week garbage collection for residential and commercial can customers to improve operational efficiency and realize budgetary savings.
- b) **Consensus.** Add a special rate for those who sign up for a second weekly collection (approximately \$10 per month)
- c) **Staff Recommendation:**
 - Additional Public Input
 - Updated Public Opinion Survey
 - Evaluate again after Full Automation

C. Operational Recommendations

5. Garbage/Recycling collection daily work schedule:

- a) **Consensus.** Recommend the elimination of Saturday and holiday collections once full automation has been implemented.
- b) **Voted on and passed 4 votes to 1.** Recommend keeping the 10 hour work day, and adjusting routes after automation to ensure the 10 hour work shift is being filled.

D. Other Recommendations

1. Can collection on one side of street only:
 - a) **Consensus.** Rejected due to safety considerations, city demographics and minimal operational efficiencies achieved.
2. Pay-Per-Throw - Apply different rates based on can sizes:
 - a) **Consensus.** Rejected due to being difficult to administer and penalizes families.
 - b) **Consensus.** Charge \$100 for additional carts and \$5/per month.

D. Other Recommendations

3. Yard Waste Collection:
 - a) **Consensus.** Ban use of plastic bags for yard waste.
 - b) **Consensus.** Continue 2 free bulk pickups annually for yard waste per residence.
 - c) **Consensus.** Continue no limit on yard waste collection, in paper bags or cans.
4. Keep Stakeholder Group Active:
 - a) **Consensus.** Recommend keeping group active, due to the dynamic recycling situation, City switch to Single-Stream collection and other ongoing operational changes.

Requested Council Action:

Adopt Stakeholder Recommendations with specific exceptions and/or revisions

