



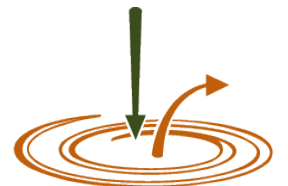
City of Venice, FL

Solid Waste and Recycling Rate Study

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Kessler Consulting, Inc

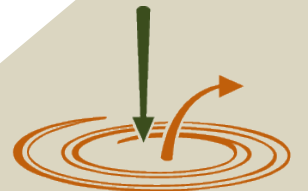
September 10, 2024



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Agenda

- Review Venice waste & recycling services
- Summarize financial performance
- Present revenue, expense, and reserve projections
- Present recommended rate increase to meet revenue requirements
- Compare Venice waste & recycling rates with other communities
- Address questions and receive input from Council



Comprehensive Collection Services

- Residential/Commercial Carts

- Garbage: 2/week, 35-, 65- or 95-gal cart
- Recyclables: 1/week, 64- or 95-gal cart
- Yard Waste: 1/week
- Bulk Yard Waste: two free per year
- Bulk Trash: on call, separate fee
- 2-1-1



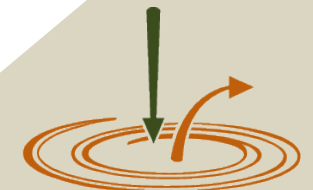
- Commercial Dumpsters

- Garbage: 1 to 6/week, 2- to 8-yard container
- Cardboard: 1/week, 2- to 8-yard container



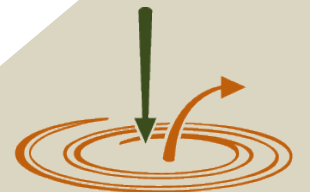
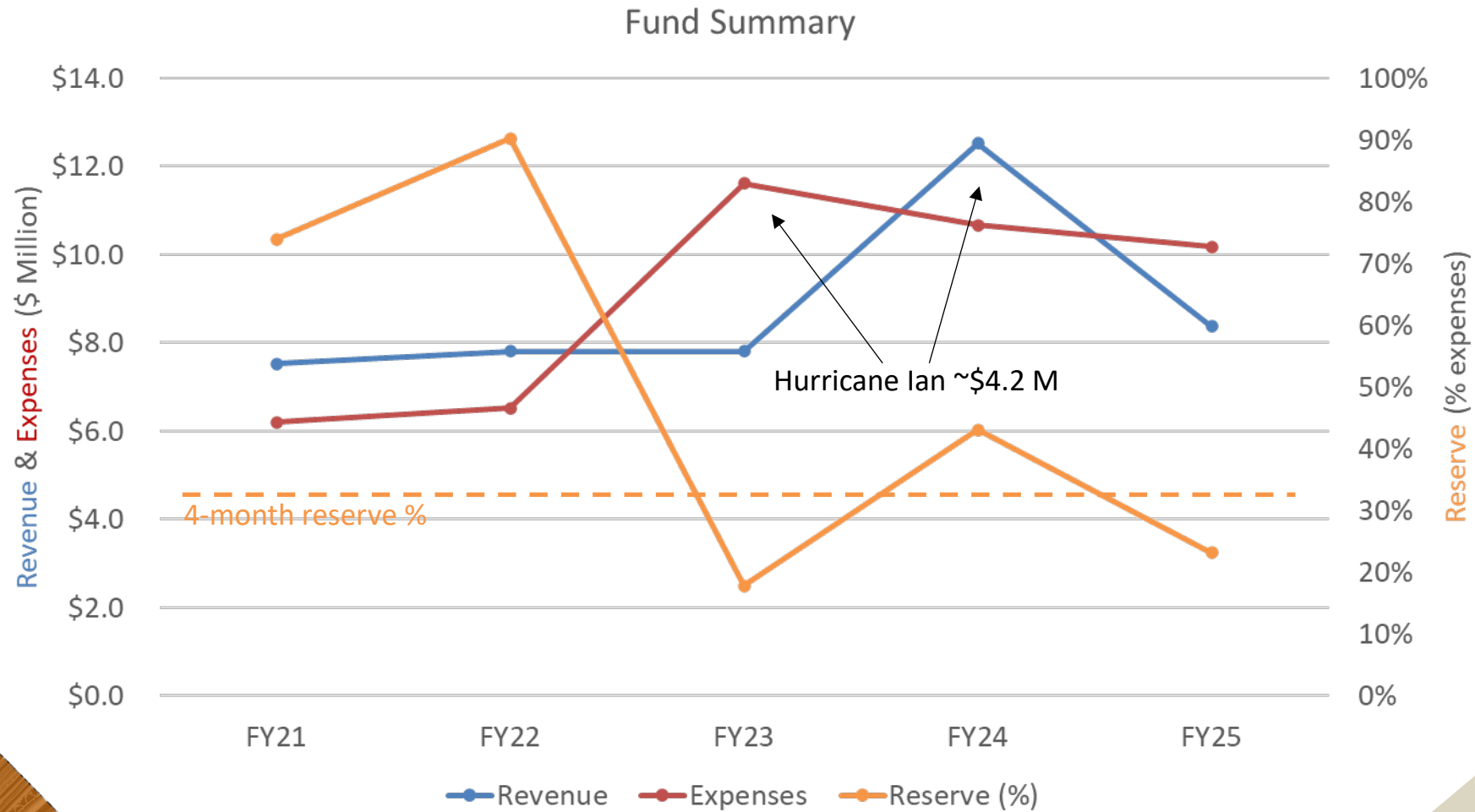
- Roll Off

- Trash: 10- to 40-yard, 30-yard compactors
- Cardboard: 10- to 30-yard



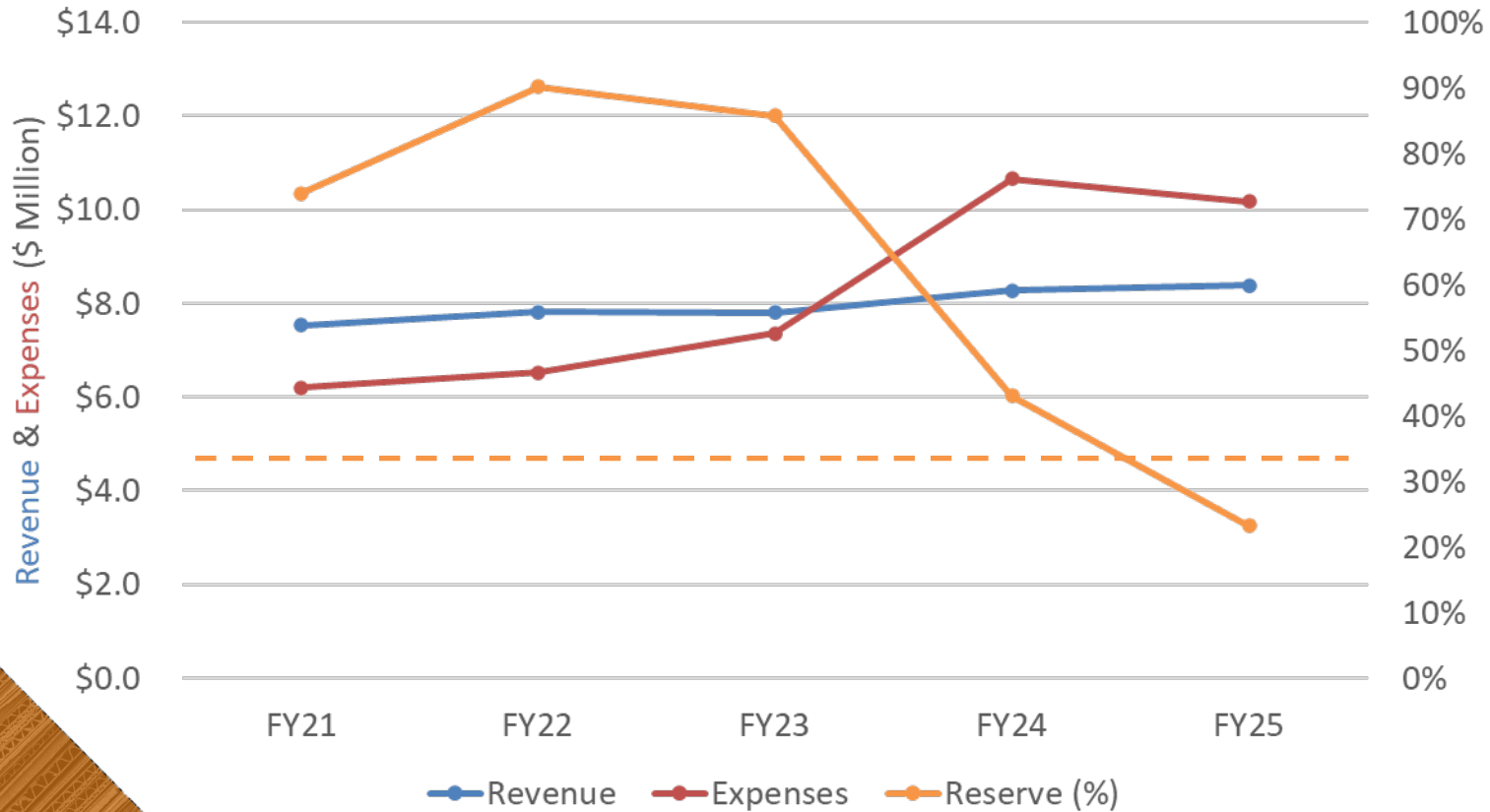
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Financial Performance

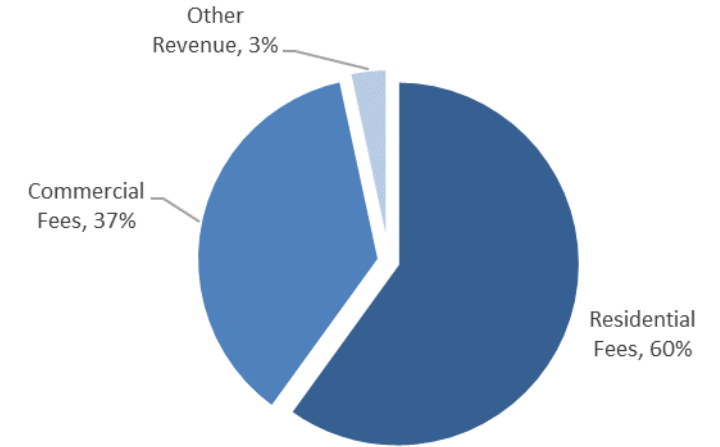


Financial Performance

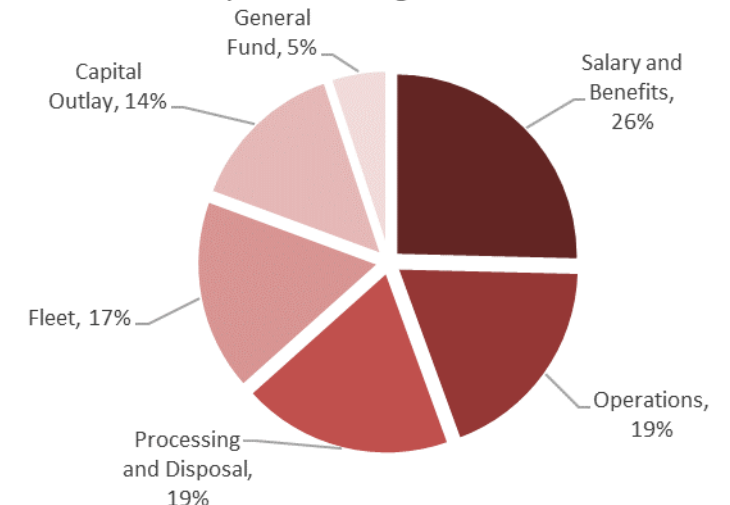
Fund Summary w/o lan



Revenue Sources - FY24



Expense Categories - FY24



Continuity of Service; Increased Costs

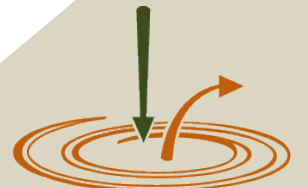
Operating Cost Increases:

- Salary & benefits increased 13.5% per year in FY23 and FY24
- Landfill tip fees increased by 6.5% and 9.4% in FY23 and FY24, respectively
- Increased vehicles purchase cost
- Annual fuel costs are 2.5 times what they were in FY21

Major One-Time Costs:

- Hurricane Ian
- New solid waste facility: \$1.5M land in FY24, \$975K design in FY25 and \$9.75M construction in FY26

No Rate Increase in Prior Two Years

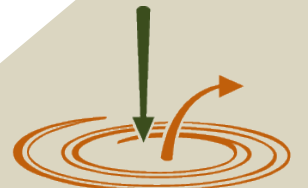


Prior Rate Changes

- No rate changes between FY06 and FY17.

	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Garbage Carts	5%	5%	4%	3%	1%	-	-
Recycling Carts*	5%	5%	4%	3%	1%	-	-
Garbage Dumpsters	-	-	-	-	-	-	-
Cardboard Dumpsters	-	-	-	-	-	-	-
Roll-Offs	50%	33%	4%	3%	-	-	-

*Recycling cart rate includes weekly yard waste collection and 2 free bulk yard waste pickups.



Financial Projections: Key Parameters

Growth & inflation based on Utility Rate Study:

- 2-3% per year customer growth
- Operating cost increases: 5% per year S&B; 4-5% per year vehicles and containers, 3-5% general CPI

Operational:

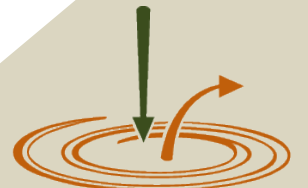
- Maintain current service offerings
- Add new trucks and personnel as needed to handle customer growth

CIP:

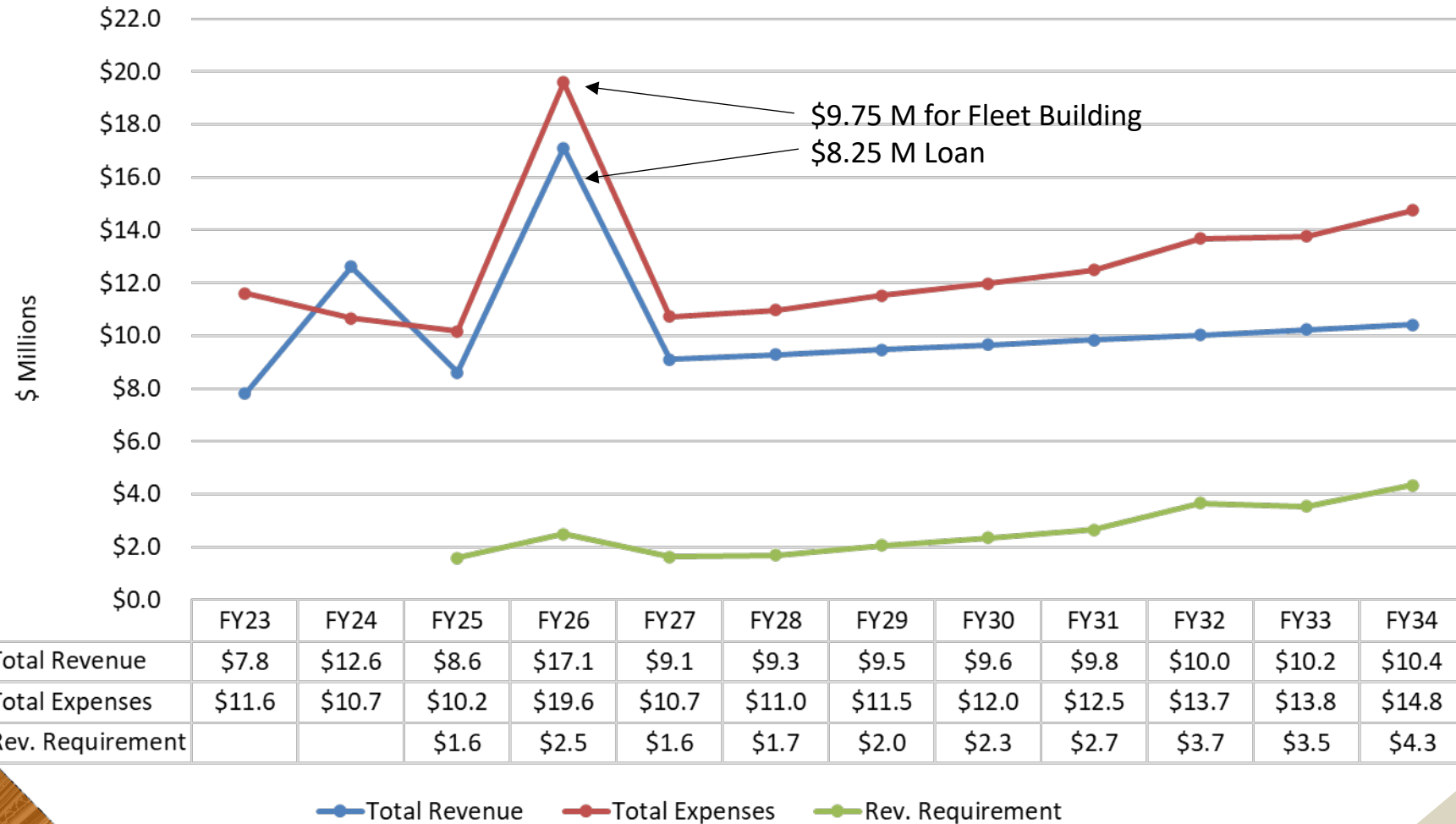
- \$975K design & \$9.75M construction & \$8.25 loan

Working capital reserve:

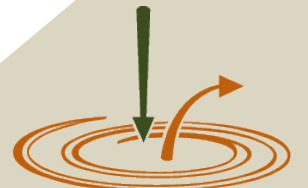
- 4-month of operational expenses, in line with City policy



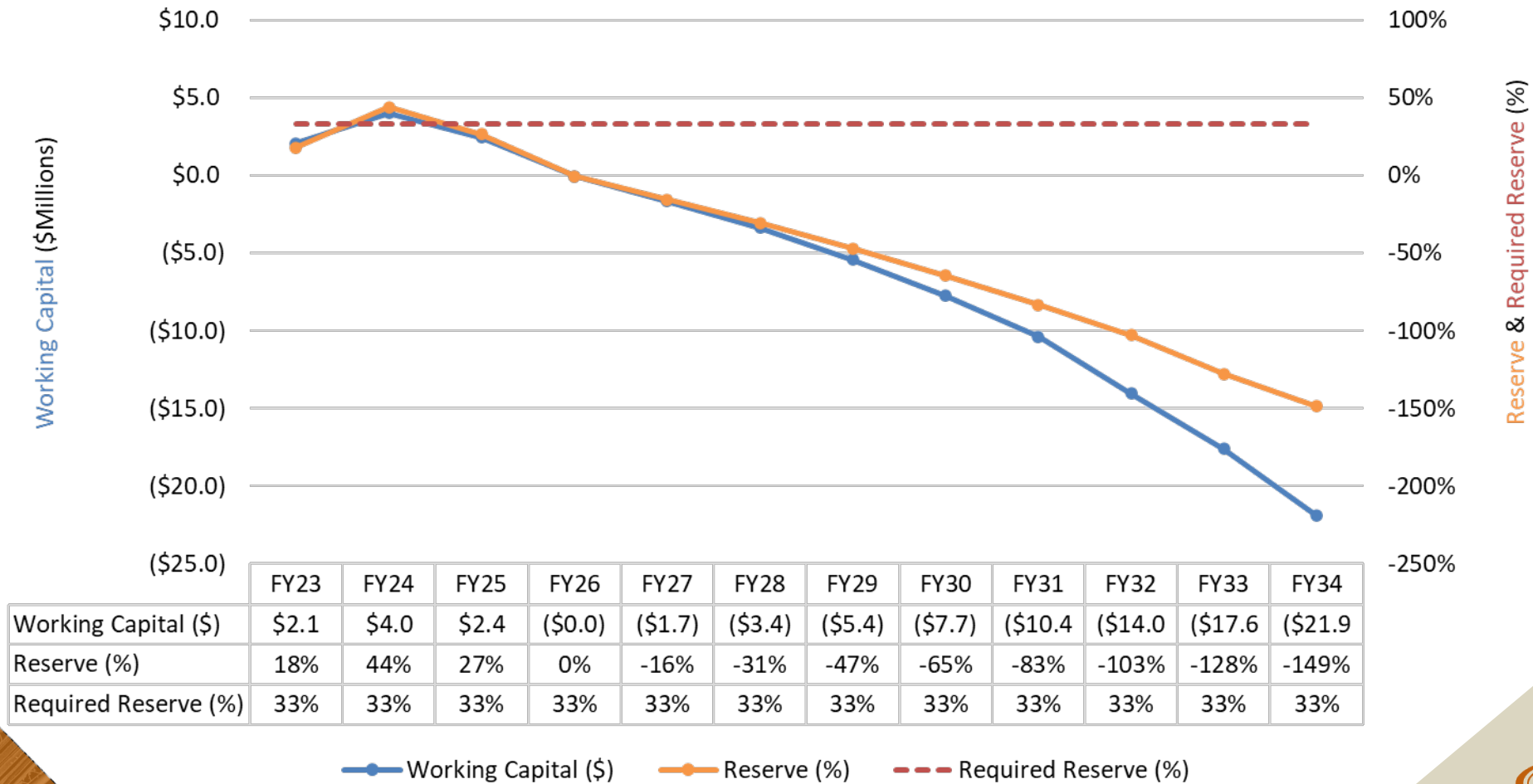
Projected Revenue Requirements



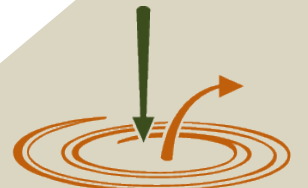
Current projections without rate increase.



Projected Working Capital Reserve

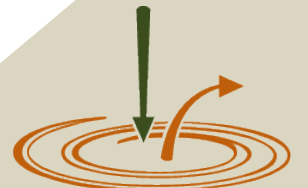


Current projections without rate increase.

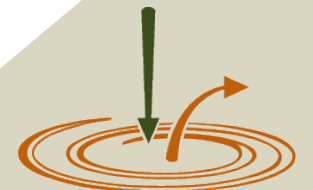
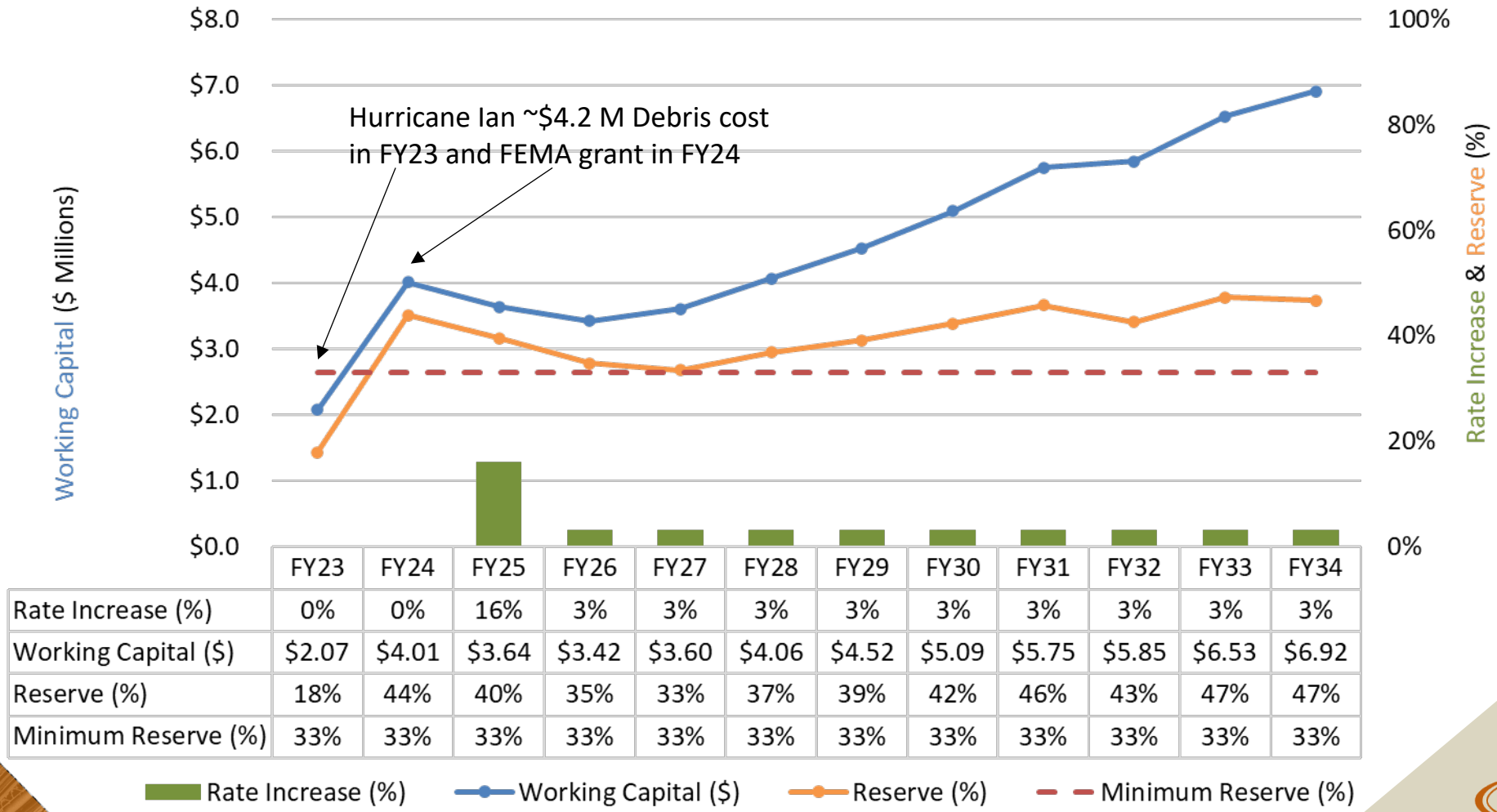


Recommended Rate Changes

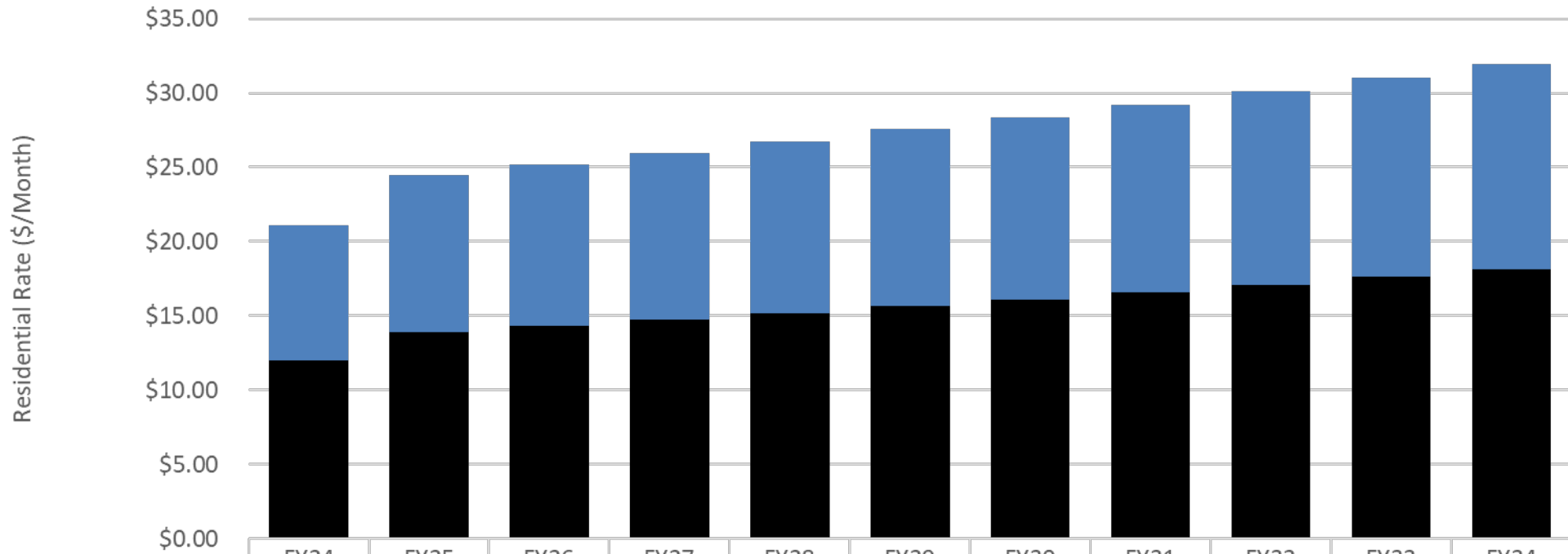
- Increase all residential and commercial rates by 16% in FY25
- Assume 3% CPI increase in subsequent years (FY26-FY29)
- Increase roll-off pull charges:
 - \$10/pull in FY25, \$8/pull in FY26, \$6/pull in FY27, and \$5/pull in each subsequent year
- Increase loan to \$9M for new facility



Working Capital Based on Changes



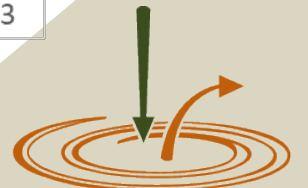
Residential Rate Changes



	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
Total Resi (\$/month)	\$21.09	\$24.46	\$25.20	\$25.95	\$26.73	\$27.53	\$28.36	\$29.21	\$30.09	\$30.99	\$31.92
Resi Rec (\$/month)	\$9.11	\$10.57	\$10.88	\$11.21	\$11.55	\$11.89	\$12.25	\$12.62	\$13.00	\$13.39	\$13.79
Resi Trash (\$/month)	\$11.98	\$13.90	\$14.31	\$14.74	\$15.19	\$15.64	\$16.11	\$16.59	\$17.09	\$17.60	\$18.13

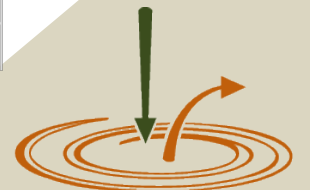
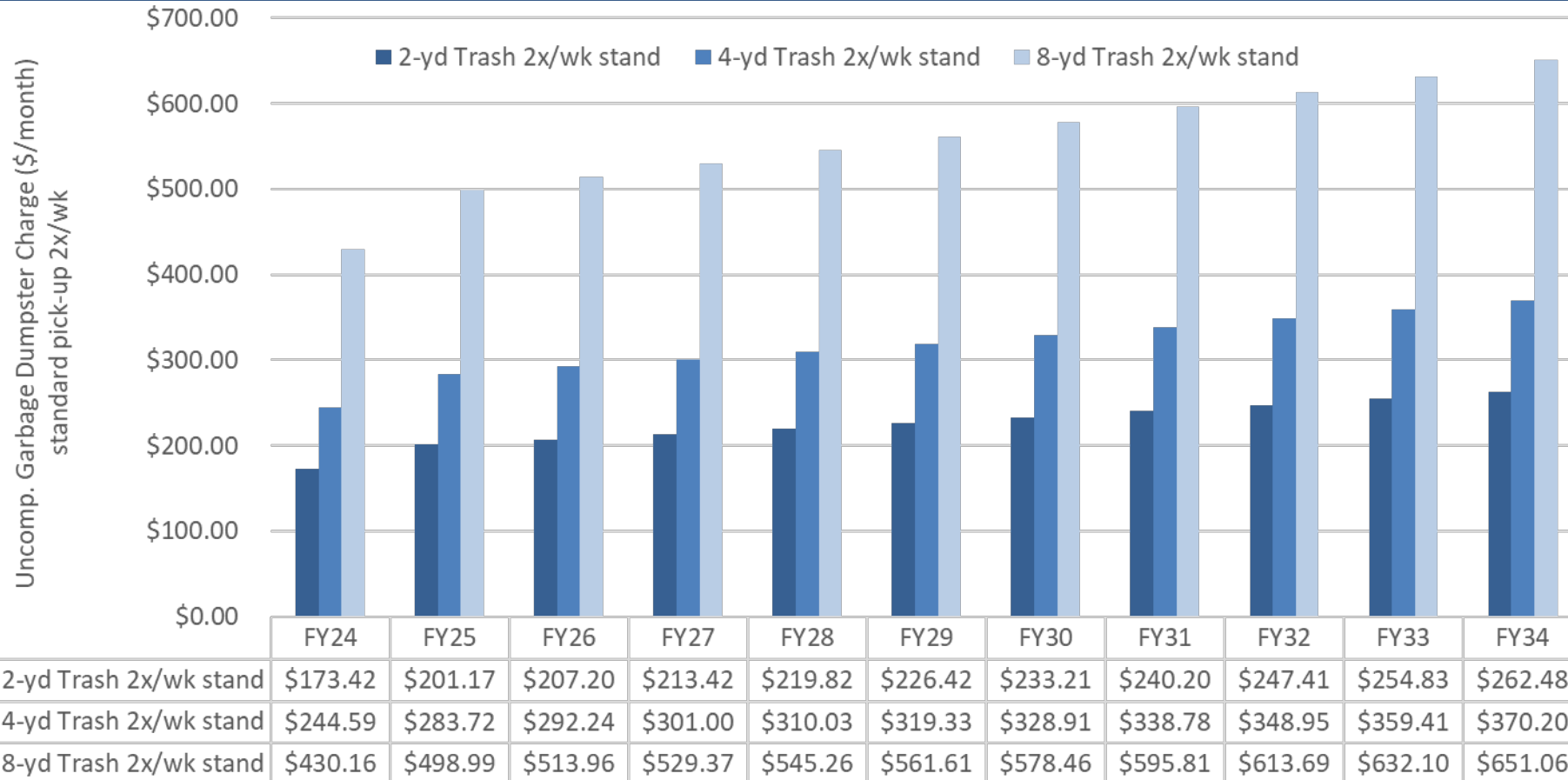
■ Resi Trash (\$/month) ■ Resi Rec (\$/month)

Note: Does not include Recycling Surcharge



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Commercial Rate Changes



Municipal Solid Waste Rate Comparisons

Population

Demographics

Customer Base

Funding Methods

Local Policies

- “All waste is local”
- Rates are based on many factors and rarely reflect actual costs
- Direct comparison of rates is cautioned

Materials Collected

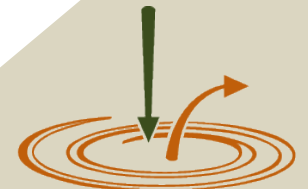
Services Provided

Financing Methods

Level of Service

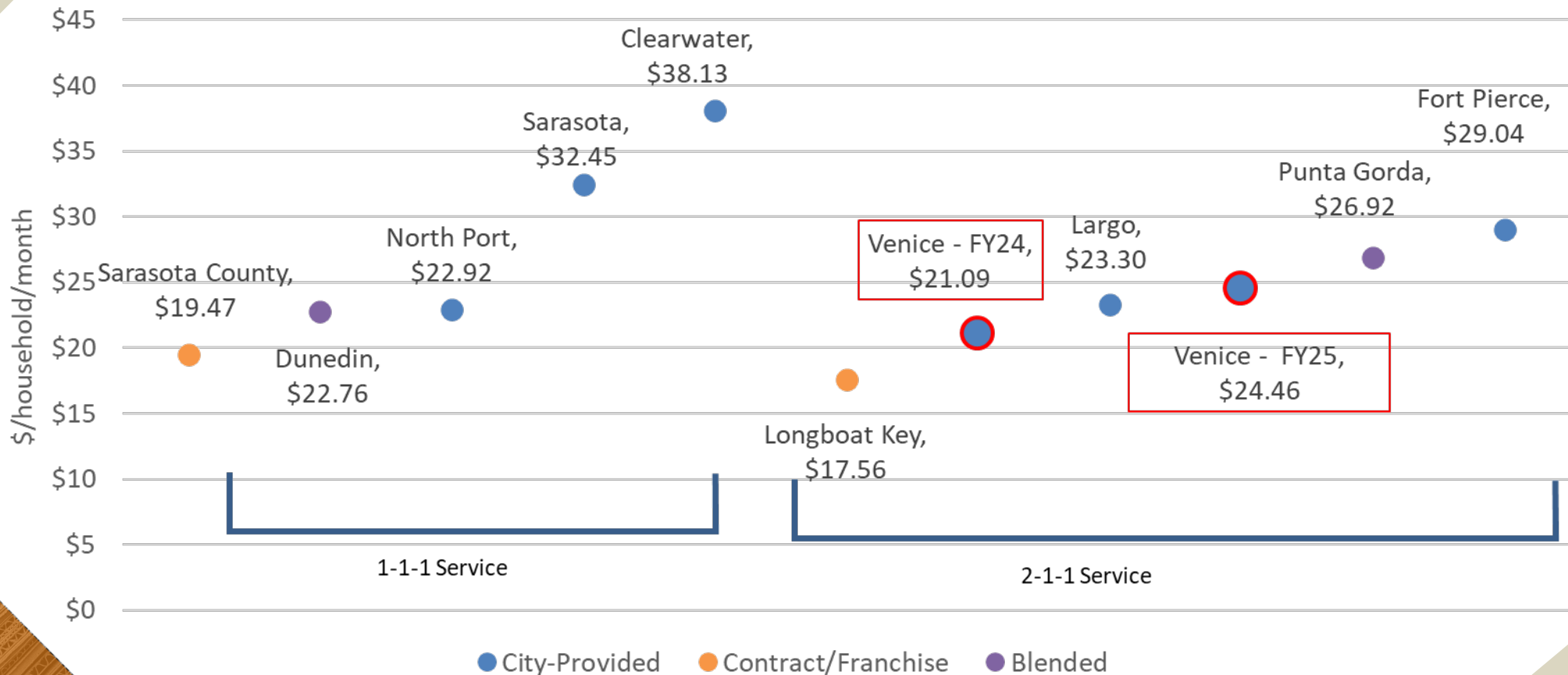
Hauling & Tip Fees

Economies of Scale



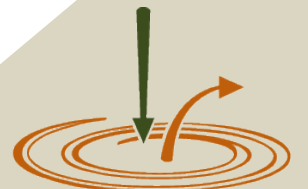
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Rate Comparison: Residential

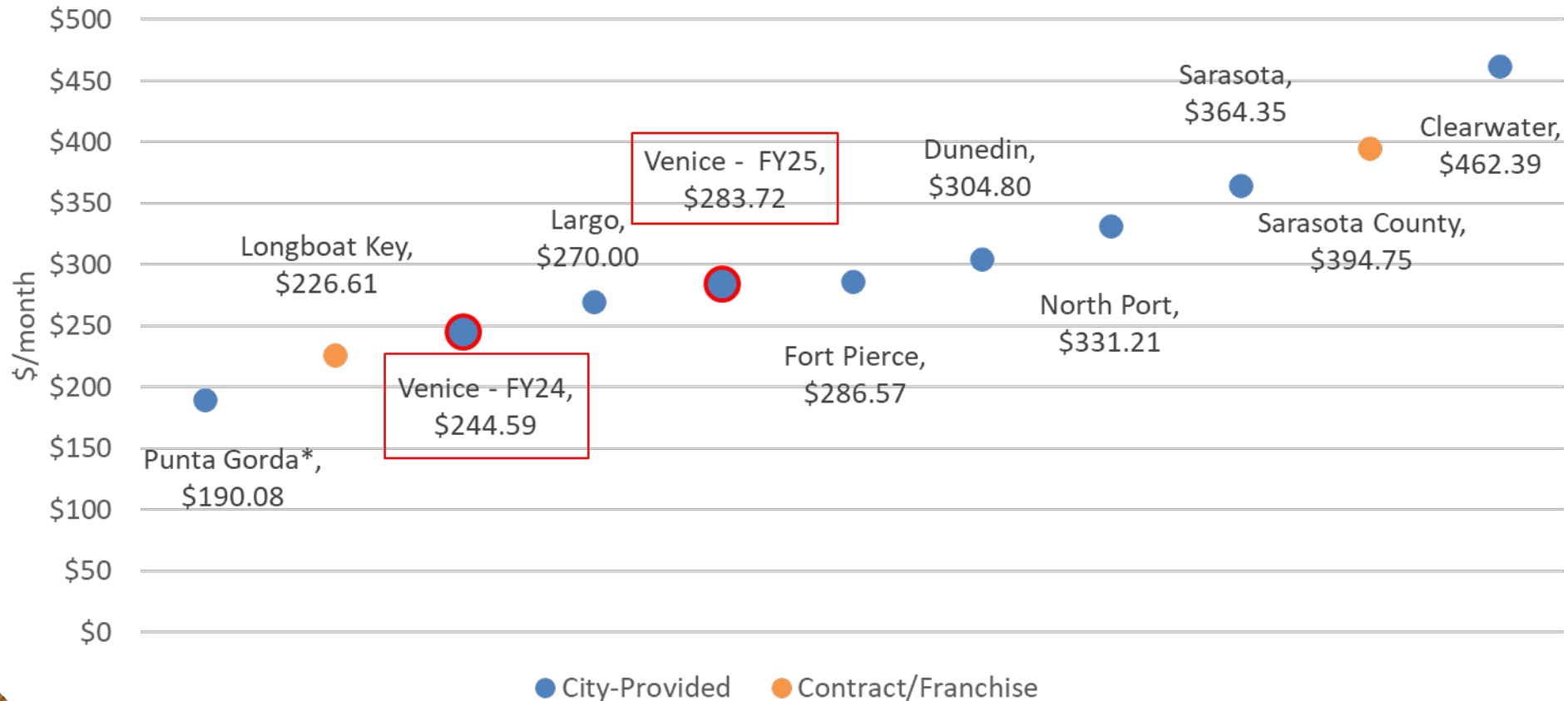


Rates are the total monthly cost for standard curbside collection of garbage, recycling, and yard waste.

Note: Direct comparison is cautioned due to community-specific factors, rates for one class may subsidize other classes, & rates do not necessarily reflect actual cost.

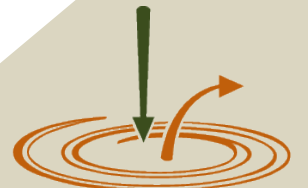


Rate Comparison: Commercial

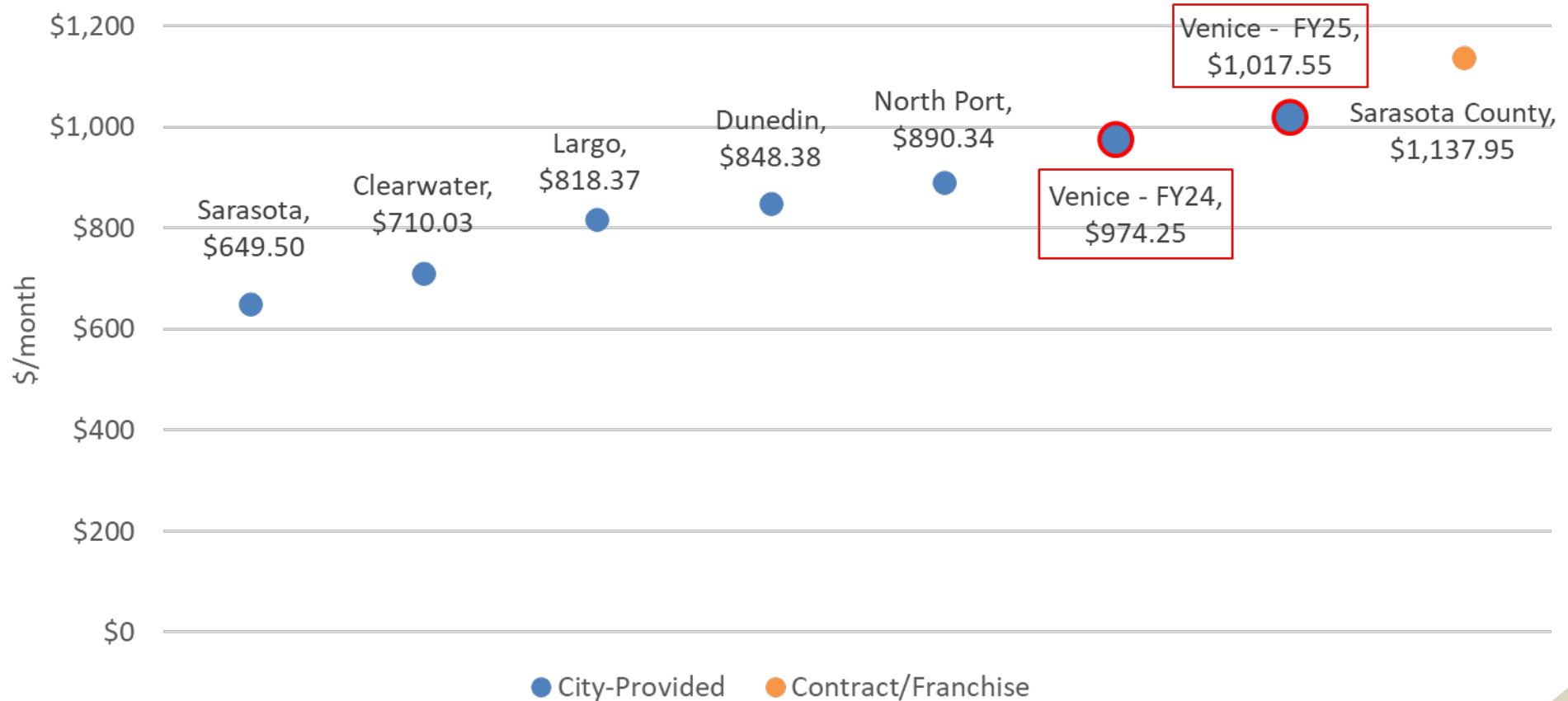


Rates are examples for a 4-cubic yard, non-compacted dumpster serviced twice weekly.
Rates vary depending on container size, type, and frequency. *Punta Gorda is non-exclusive.

Note: Direct comparison is cautioned due to community-specific factors, rates for one class may subsidize other classes, & rates do not necessarily reflect actual cost.



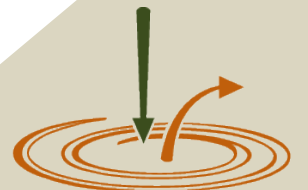
Rate Comparison: Roll-offs



Rates are examples for a 20-cubic yard serviced weekly, including pull charges and monthly service, rental, and/or maintenance fees, where applicable (i.e., for Venice, $\$225/\text{pull} \times 4.33 \text{ pulls/month} = \$974.25/\text{month}$).

Rates do not include disposal. Roll-off service is non-exclusive.

Note: Direct comparison is cautioned due to community-specific factors, rates for one class may subsidize other classes, & rates do not necessarily reflect actual cost.



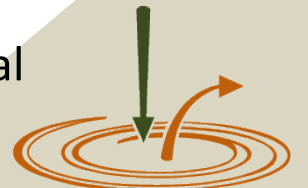
Summary

Current Services and Financials

- Public Works has managed financials through recent challenging years (Hurricane Ian, inflation).
- Venice provides a higher level of service at rates comparable to or lower than peers.
- Venice is in the process of constructing a new facility.
- Without rate increase, working capital reserves will fall below minimum requirement in FY25.
- Work capital reserves needed to meet revenue requirements for significant capital project and increasing operating costs.

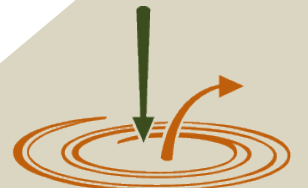
Rate Analysis

- At current rates, costs are already exceeding revenue.
- One-time 16% rate increase, followed by annual 3% increases will maintain capital reserves above 33% of expenses.



Next Steps

- Seeking decision from Council on the proposed rates changes recommended by the Solid Waste Stakeholders' group and City staff.
- Work with City staff to finalize recommended changes.
- Submit final report to City staff.



Questions ... Discussion

Thank You!

