



City of Venice, FL

Solid Waste and Recycling Rate Study

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Kessler Consulting, Inc

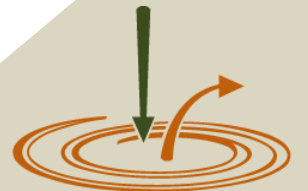
September 10, 2024



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Agenda

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

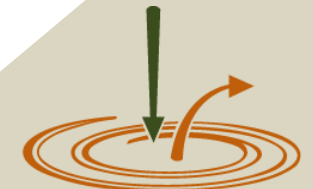


Comprehensive Collection Services

- 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

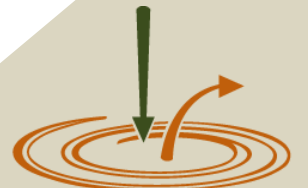
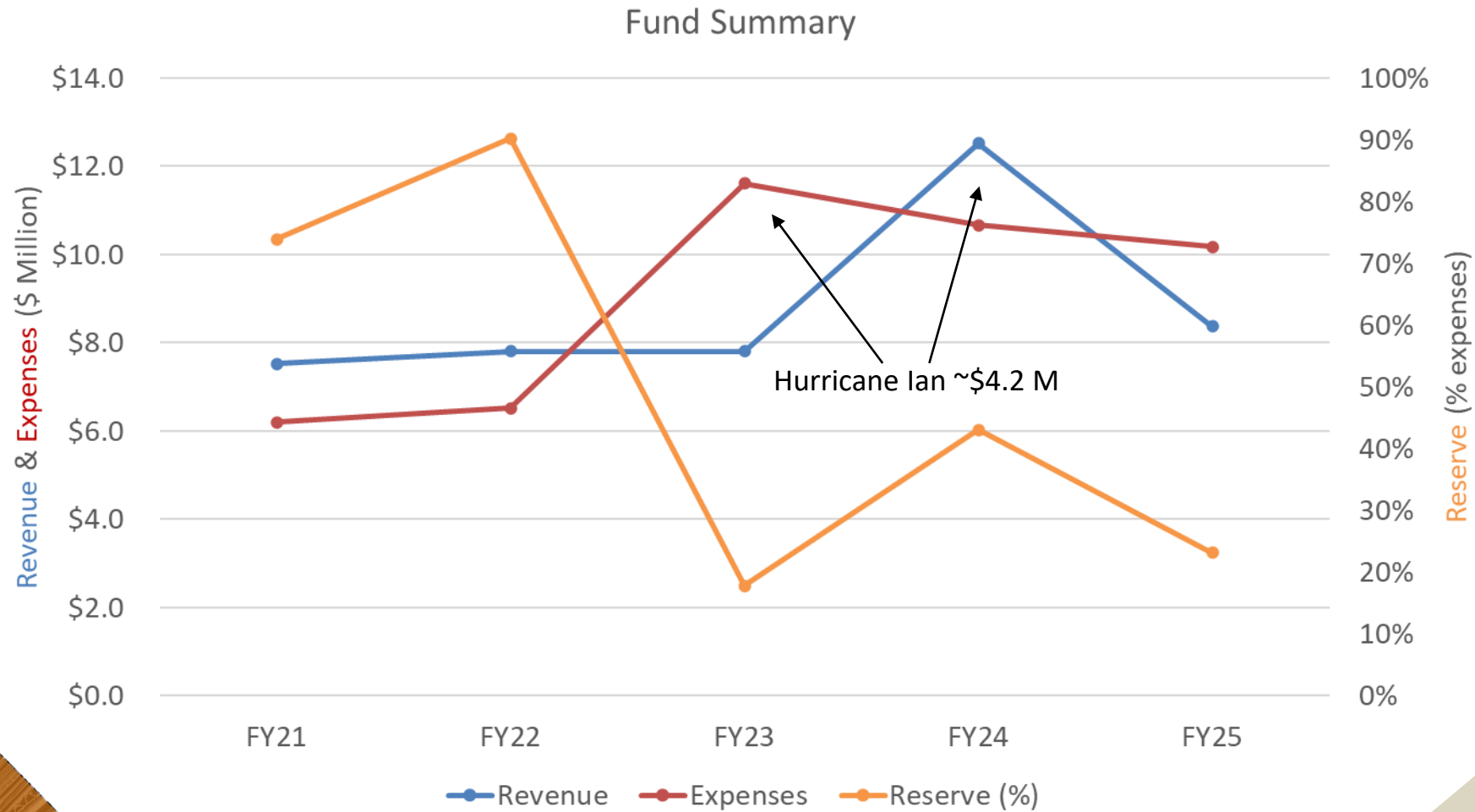


- Commercial Dumpsters
 - Garbage: 1 to 6/week, 2- to 8-yard container
 - Cardboard: 1/week, 2- to 8-yard container
- Roll Off
 - Trash: 10- to 40-yard, 30-yard compactors
 - Cardboard: 10- to 30-yard



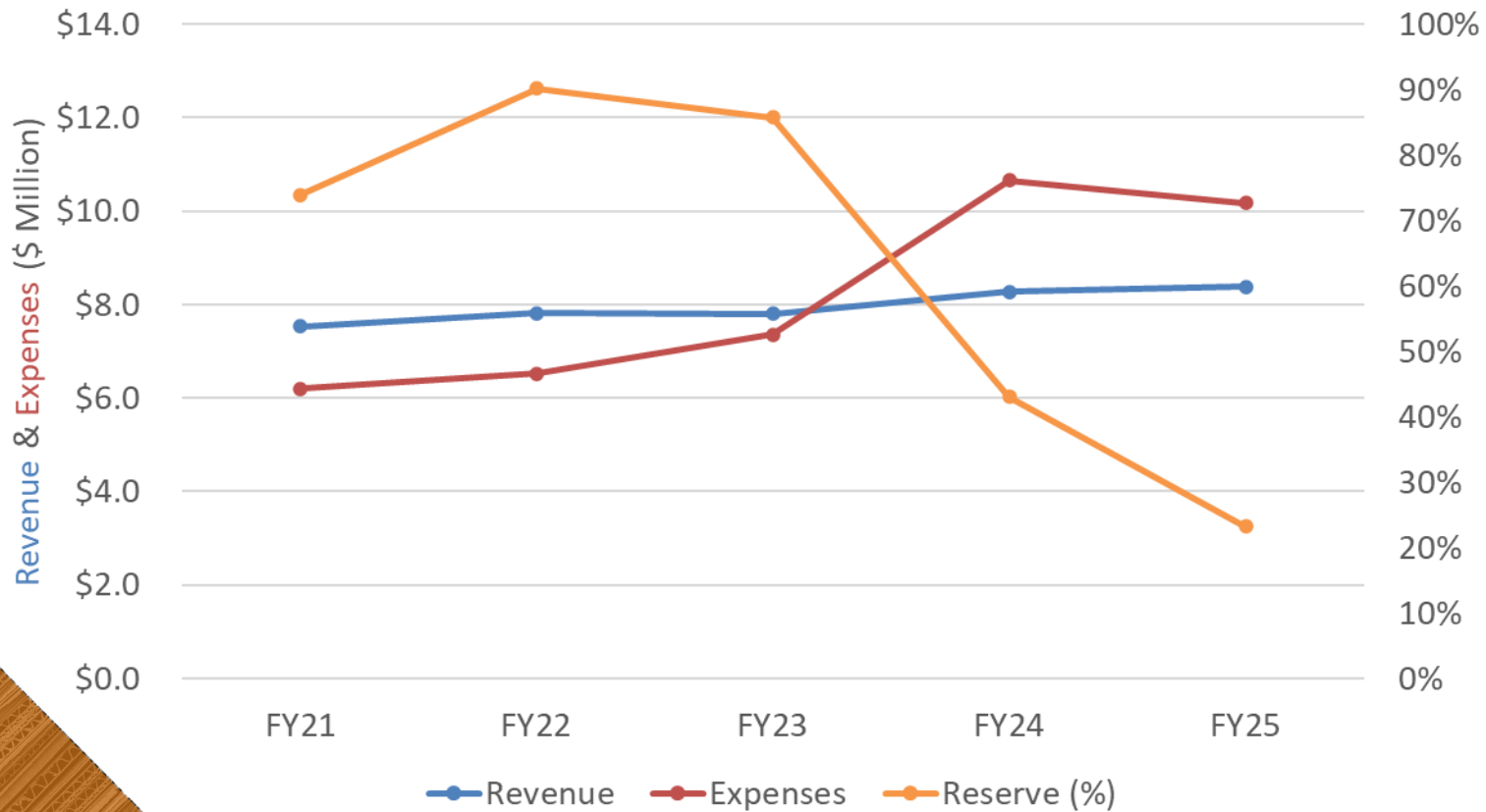
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Financial Performance

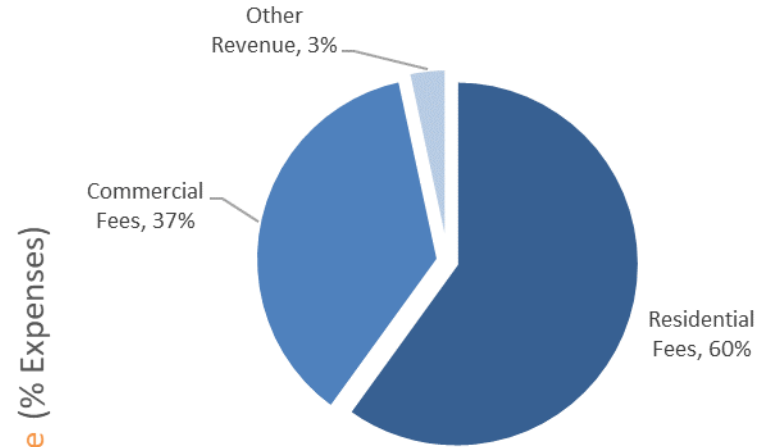


Financial Performance

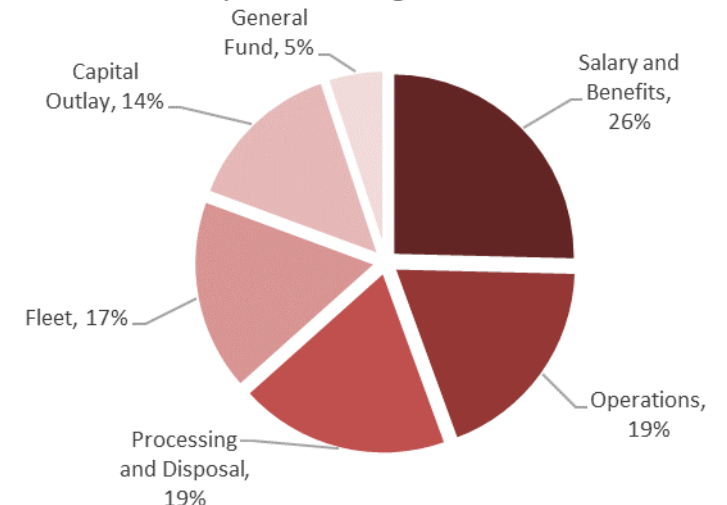
Fund Summary w/o lan



Revenue Sources - FY24



Expense Categories - FY24



Continuity of Service; Increased Costs

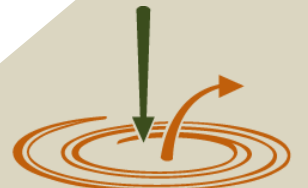
Operating Cost Increases:

- 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

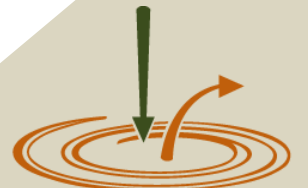


Prior Rate Changes

- 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

CIP:

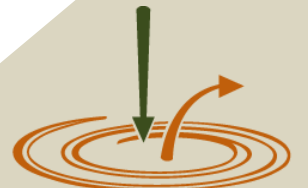
- \$975K design & \$9.75 M construction

Working capital reserve:

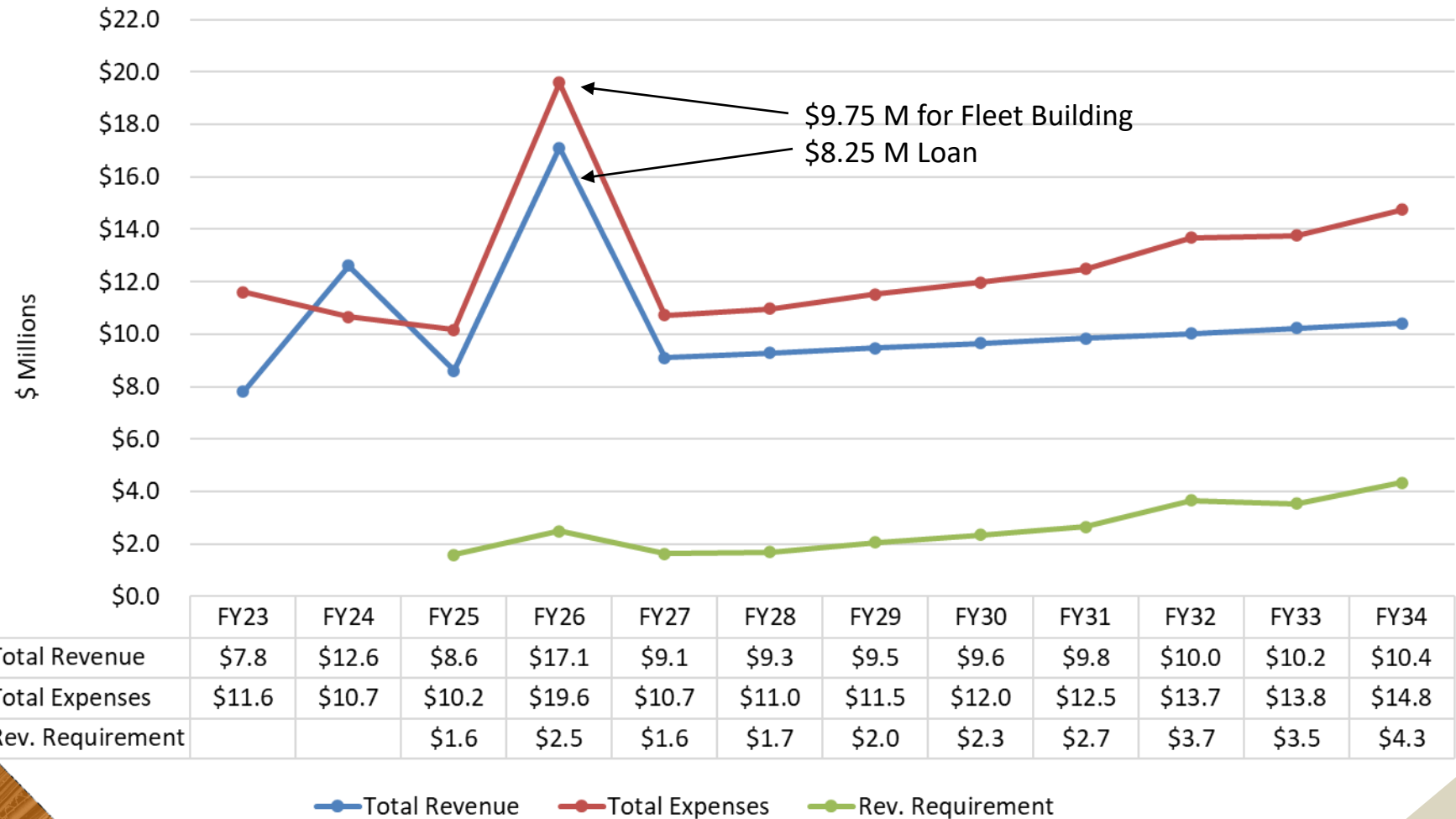
- 4-month of operational expenses

Operational:

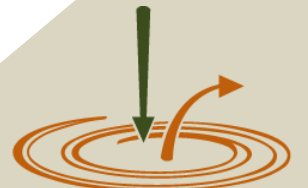
- Maintain current service offerings
- Add new trucks and personnel as needed to handle customer growth



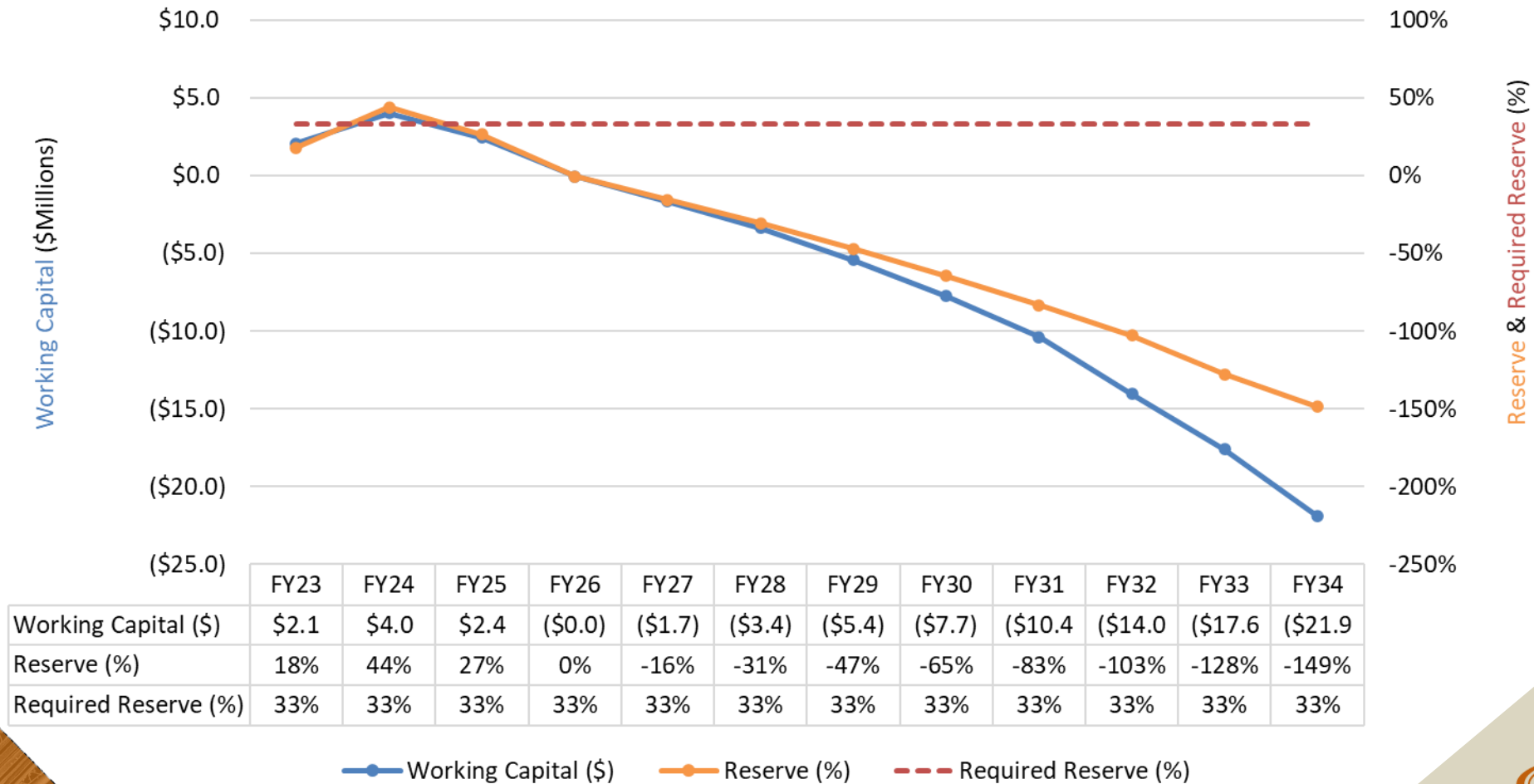
Projected Revenue Requirements



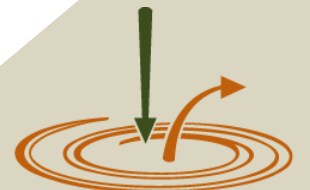
Current projections without rate increase.



Projected Working Capital Reserve

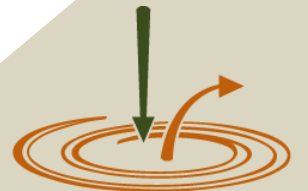


Current projections without rate increase.

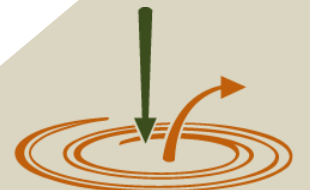
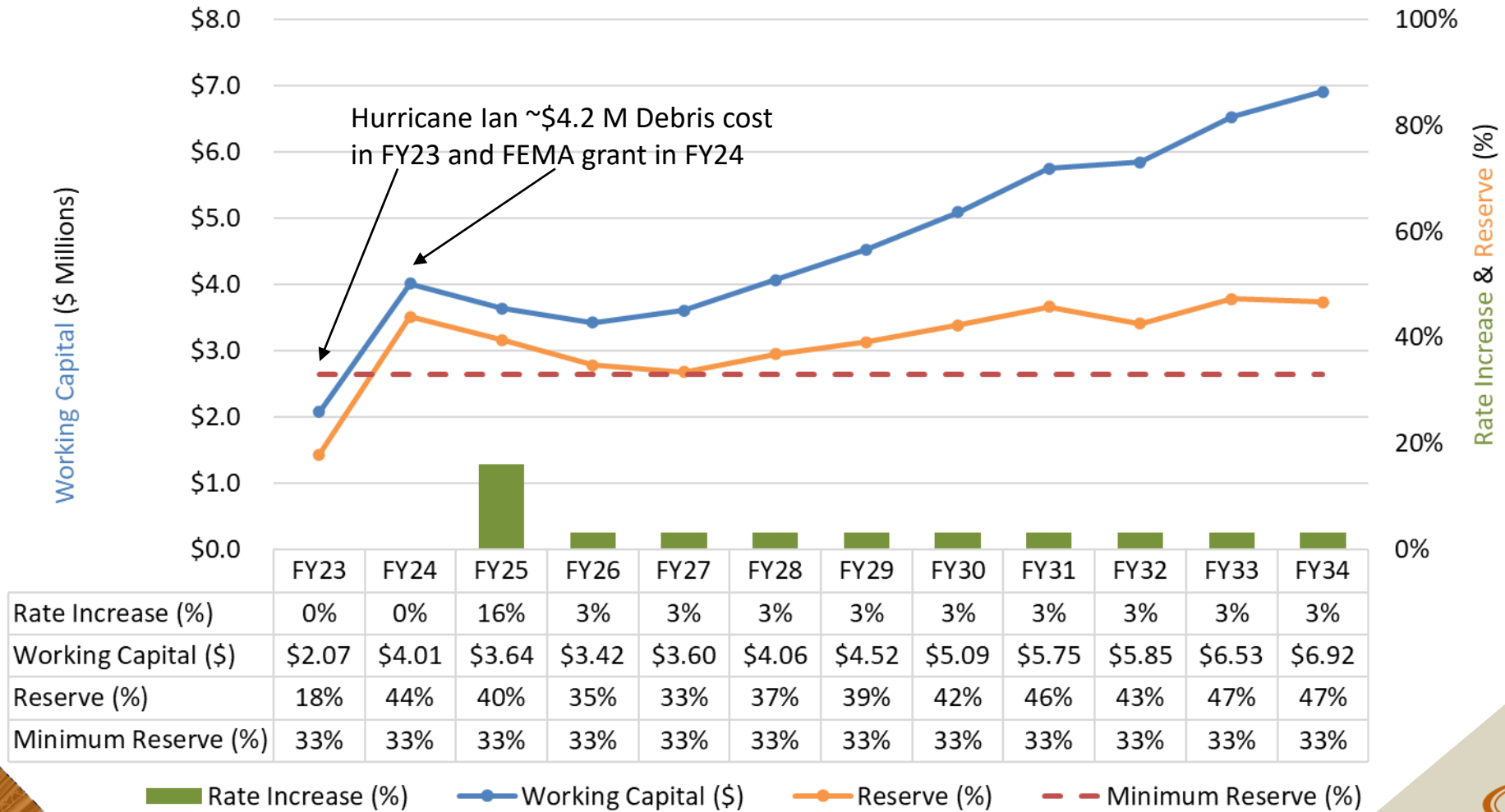


Recommended Rate Changes

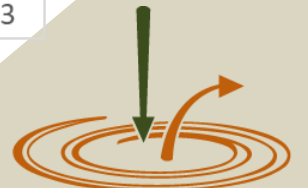
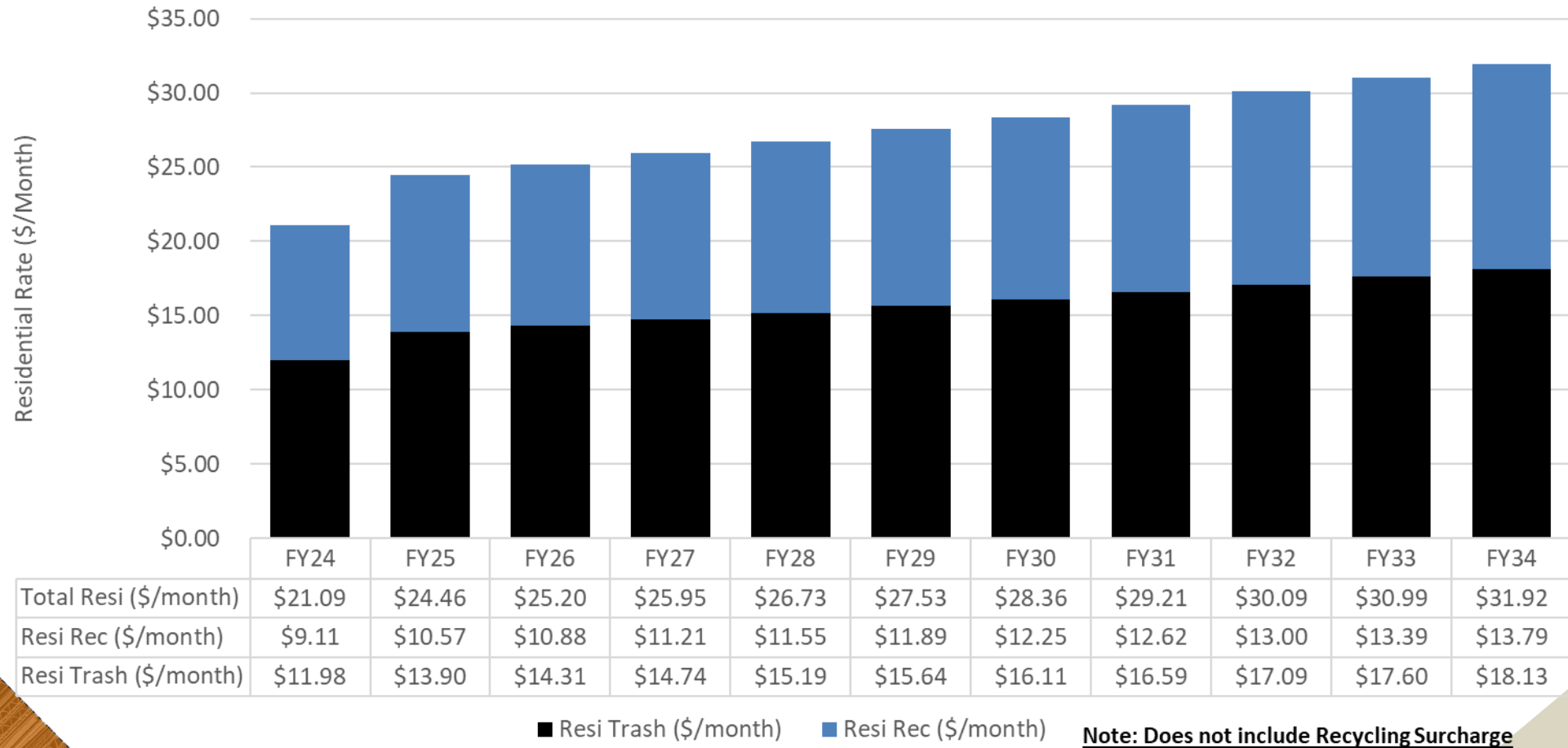
- Increase all residential and commercial rates by 16% in FY25
- Assume 3% CPI increase in subsequent years
- Increase roll-off pull charges:
 - \$10/pull in FY25, \$8/pull in FY26, \$6/pull in FY27, and \$5/pull in each subsequent year
- Increase loan to \$9 M for new facility



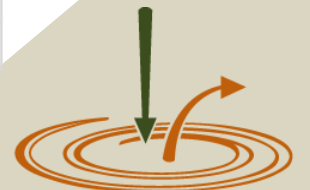
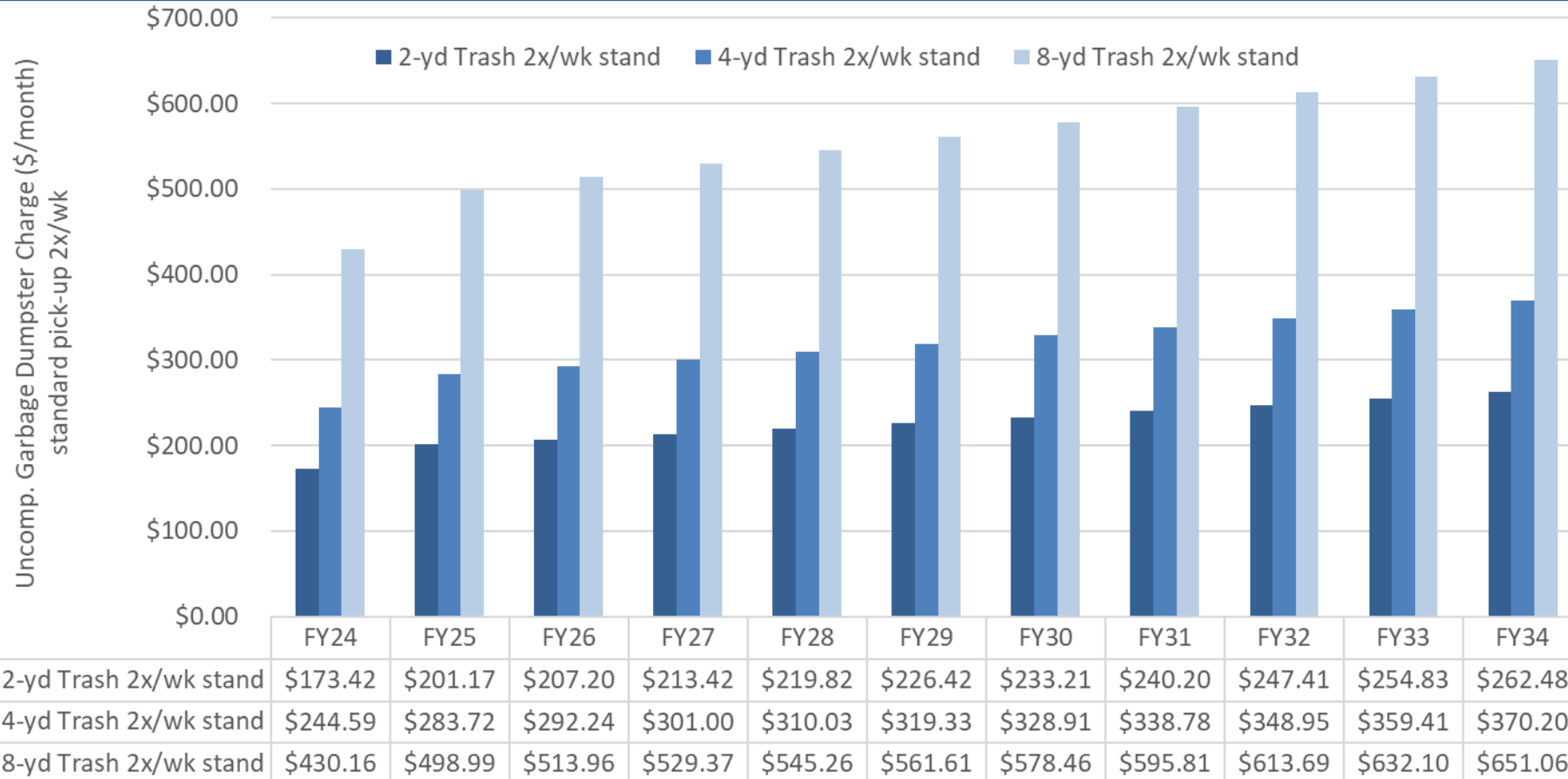
Working Capital Based on Changes



Residential Rate Changes



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

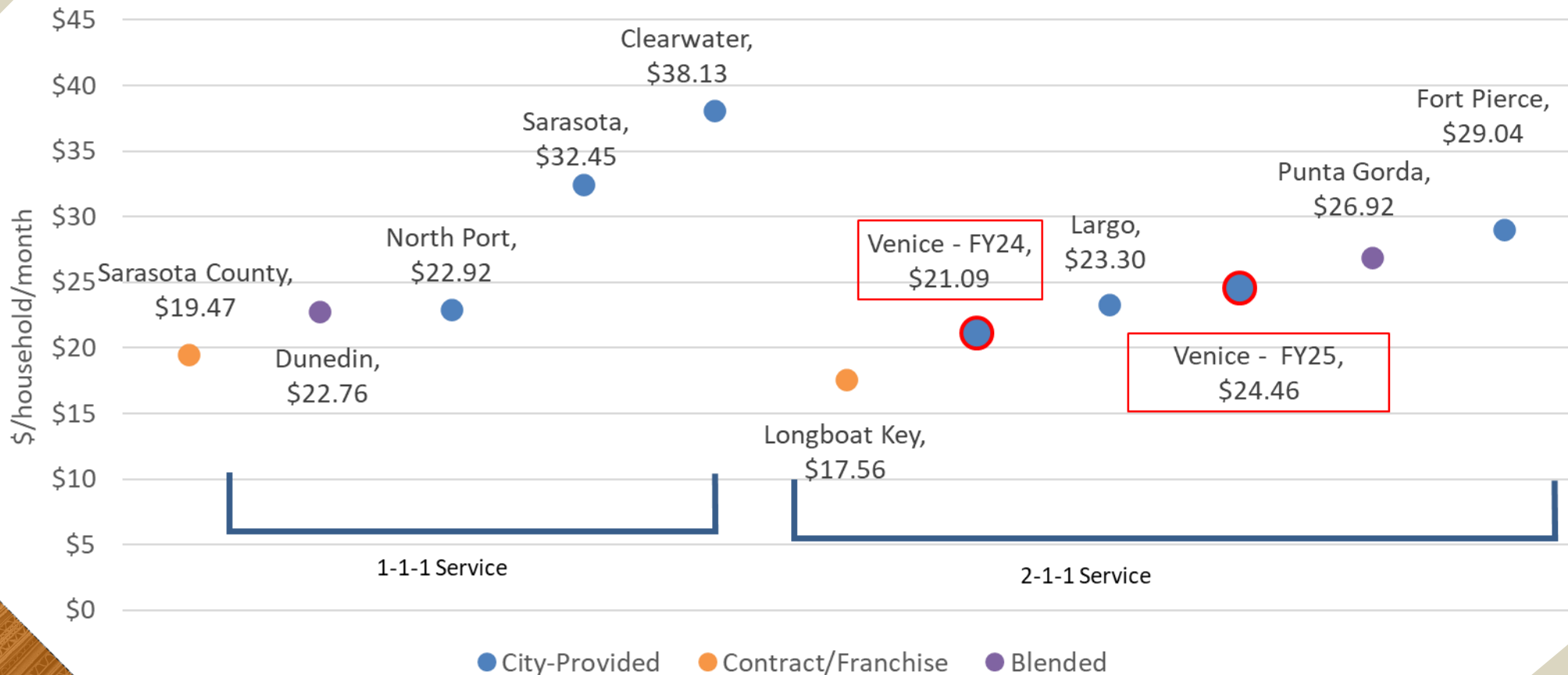
Hauling & Tip Fees

Economies of Scale



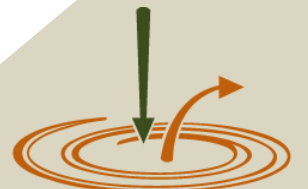
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Rate Comparison: Residential

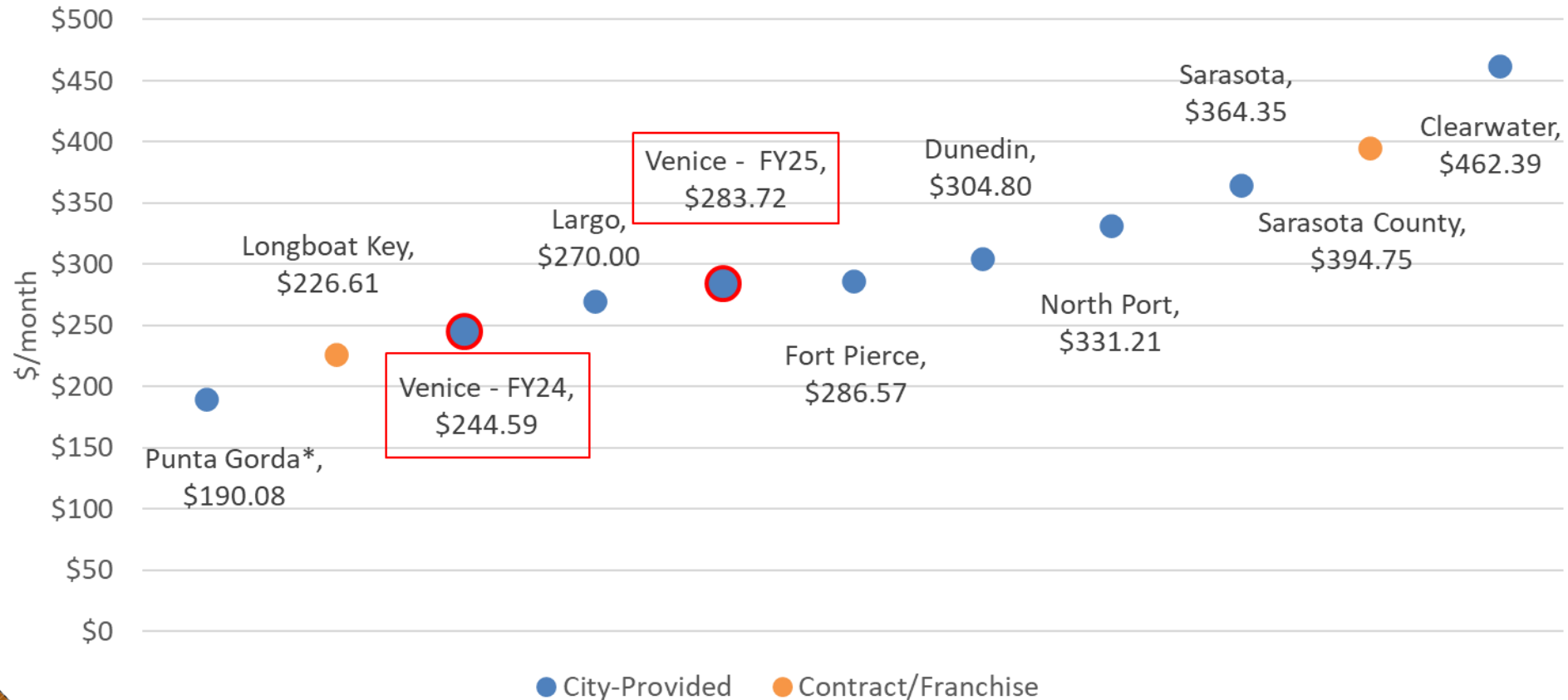


Rates are the total monthly cost for standard curbside collection of garbage, recycling, and yard waste.

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.

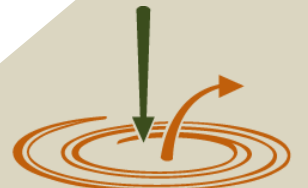


Rate Comparison: Commercial

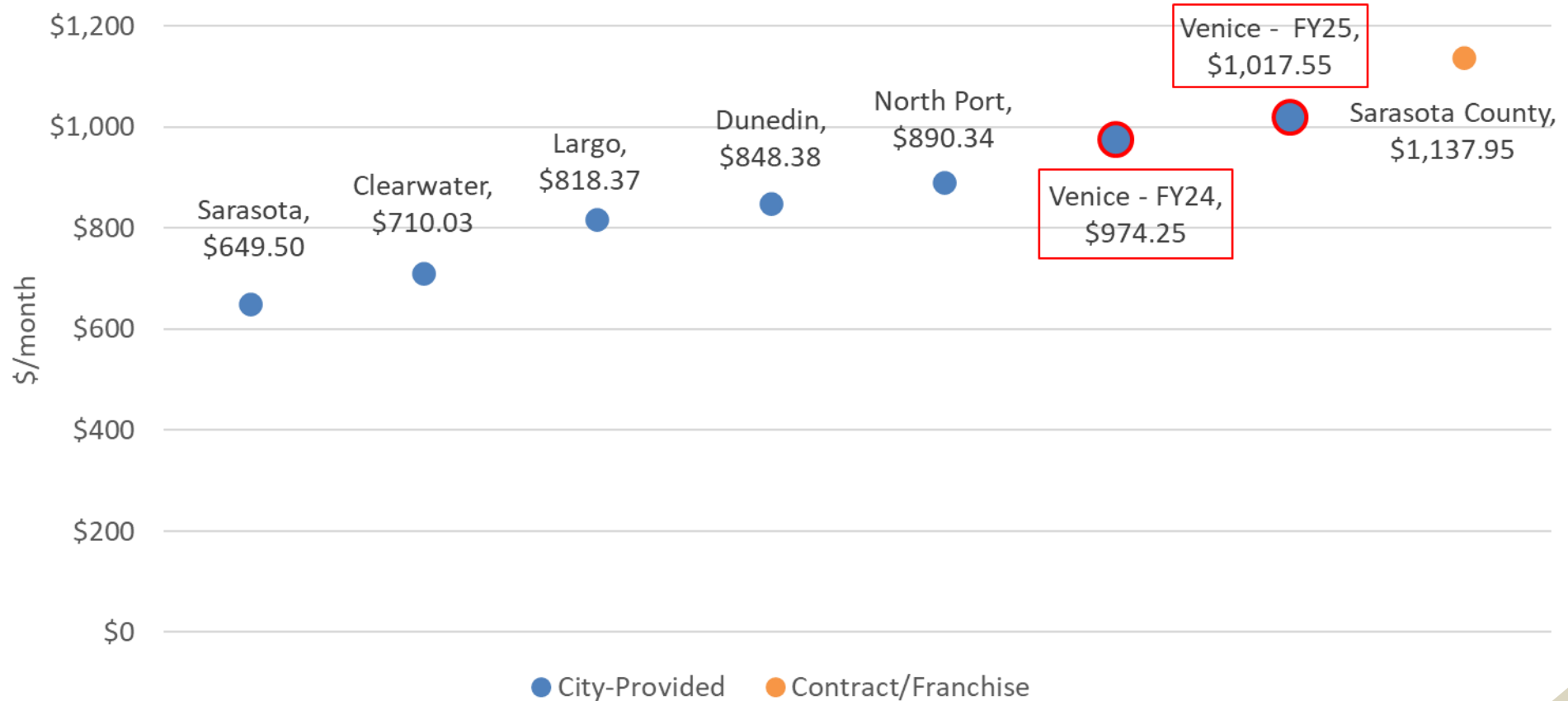


Rates are examples for a 4-cubic yard, non-compacted dumpster serviced twice weekly.
Rates vary depending on container size, type, and frequency. *Punta Gorda is non-exclusive.

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.



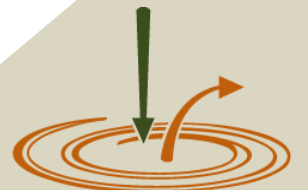
Rate Comparison: Roll-offs



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.



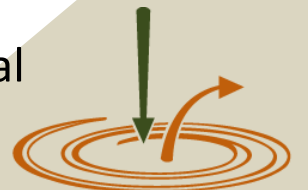
Summary

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 fleet facility.
- Without rate increase, working capital reserves will fall below minimum requirement in FY25 and below \$0 at end of FY26.
- Working capital reserves needed to meet revenue requirements for significant capital project and increasing operating costs.

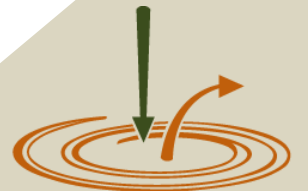
Rate Analysis

- 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

