

**Agenda Item:** 4.b

**Meeting Date:** November 17, 2020

## MEMORANDUM

**To:** City Commission

**Date:** 2020-11-10

**From:** Jorge Quintas, Public Works & Utilities Director/Engineer

**Subject:** Solid Waste & Recycling Rate Study

**Presenter(s):** Paul Stanek, Assistant Public Works & Utilities Director

**Recommend:** Provide direction for staff regarding Solid Waste and Recycling rates

**Epic Goal(s):** 4. Be the statewide model for environmental sustainability stewardship.

**Boards & Committees:** The Solid Waste Rate Study was presented to the Board of Finance during their October 21, 2020 meeting.

**Budget Impact:** Per Discussion

**Past Action:** None

**Next Action:** At the Commission's direction, conduct two public hearings to revise the Solid Waste and Recycling rate and fee structures

**Attachments:** [A. Water & Sewer and Solid Waste Rate Study Presentation.pdf](#), [B. Solid Waste Rate Sufficiency Analysis - Draft Report.pdf](#),

**Background:** The City engaged Stantec Consulting Services, Inc. (Stantec) formerly Burton and Associates, to update the City's Solid Waste Financial Management Plan. In 2017, the City retained Kessler Consulting, Inc (Kessler) to conduct a comprehensive solid waste utility rate study, including development of a multi-year financial management plan and corresponding plan of annual solid waste rate adjustments. A number of factors have changed since the 2017

study, requiring the City to revisit the financial plan. Stantec evaluated the current financial management plan and utilized the financial model developed by Kessler, to recommend alternative plans of future rate adjustments necessary to fund the updated financial requirements of the System. The adjustments are necessary to overcome the effects of variables not included in the 2017 study, such as the 6% annual rate increase from Pinellas County for solid waste disposal costs, the downturn in the recyclables market, and the reduction of Outside City or Unincorporated County enclave customers.

Stantec virtually presented the five year (FY2021-FY2025) Solid Waste Revenue Sufficiency Analysis (RAS) to the Board of Finance (BOF) during their October 21, 2020 meeting. The presentation included all of the information provided herein, including multiple rate scenarios. The BOF discussed the different aspects of the financial management plan and provided consensus support for the Scenario 2 rate adjustment option.

In addition to the RAS, a comparison survey of comparable utilities is included in the study, along with the changes to the typical residential utility bill for each scenario and each fiscal year of the multiyear plan.

The plan as presented, identifies the level of annual rate revenue (and rate adjustments) required over the near-term planning period (FY 2021 – FY 2025) and provides recommendations for the long-term forecast period (FY 2021 – FY 2030) to meet all identified financial requirements.