



DATE: May 28, 2024
 TO: Mayor and City Council
 FROM: Ted Henry, City Manager
 SUBJECT: Solid Waste and Recycling Administrative Fee

Summary:

The City of Bel Aire intends to establish a fixed administrative fee added to the cost of services, which will help determine the trash and recycling rates. This proposed administrative fee is designed to cover staff time, billing expenses, and support annual transfers for street repairs. By setting a fixed fee, we aim to enhance transparency with our customers.

If we calculate the difference between the 2024 Waste Connections rate and the current rate charged by the city, it reveals an implicit administrative fee.

Current Scenario

	# of customers	W.C. 2024 rate	B.A. current rate	current "admin" fee
Trash	3,340	\$10.06	\$13.42	\$3.36
Recycling	3,487	\$3.54	\$4.25	\$0.71
				\$4.07

Let's calculate our current rate multiplied by the number of customers to project our total revenues over the next 12 months. Then, we'll subtract expenses to determine if the revenues support the overall expenditures of the program.

Revenue and Expense Statement (Estimate)

Est. BA Total Solid Waste Revenues:	\$715,711
W.C. Total Charges:	-\$551,333
Transfer for Administrative Support:	-\$70,000
Transfer for Street Maintenance:	-\$100,000
Ending Balance:	-5,622

Next, we have adjusted our proposed administrative fee to ensure the program's self-sufficiency and to simplify communication. The administrative fee has been rounded to whole numbers.

	current backdoor "admin" fee	proposed admin fee	Diff
Trash	\$3.36	\$3.25	-\$0.11
Recycling	\$0.71	\$1.00	+\$0.29
	\$4.07	\$4.25	+\$0.18

Now, let's add our proposed administrative fee to the 2024 Waste Connections rate, multiply by the number of customers to estimate our total revenues for the next 12 months, and then subtract expenses to evaluate if the revenues can sustain the program's expenditures.

Proposed Admin Fee Revenue and Expense Statement (Estimate)

Est. BA Total Solid Waste Revenues:	\$723,437
W.C. Total Charges:	-\$551,333
Transfer for Administrative Support:	-\$70,000
Transfer for Street Maintenance:	-\$100,000
Ending Balance:	\$2,104

Below are the proposed 2024 rates.

	B.A. current rate	W.C. 2024 rate	BA Admin Fee	BA proposed rate	Diff
Trash	\$13.42	\$10.06	\$3.25	\$13.31	
Recycling	\$4.25	\$3.54	\$1.00	\$4.54	
	\$17.67			\$17.85	\$0.18

2024 Trash Rates			
City	95-gal Trash	Recycle	Total
Bel Aire-'24	\$ 13.31	\$ 4.54	\$ 17.85
Park City	\$ 13.68	\$ 4.48	\$ 18.16
Valley Center			\$ 18.57
Andover	\$ 12.54	\$ 6.88	\$ 19.42

Waste Mgt	\$ 23.12	\$ 11.53	\$ 34.68
Waste Connections	\$ 22.00	\$ 14.00	\$ 36.00