



City of Eustis

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TO: EUSTIS CITY COMMISSION
FROM: TOM CARRINO, CITY MANAGER
DATE: FEBRUARY 20, 2025
RE: RESOLUTION NUMBER 25-17 – APPROVAL OF A FRANCHISE AGREEMENT
BETWEEN THE CITY OF EUSTIS AND WASTE MANAGEMENT INC. OF FLORIDA

Introduction:

The City of Eustis recently issued a Request for Proposals (RFP) for Waste Collection Services. Resolution 25-17 approves a Franchise Agreement between the City of Eustis and Waste Management Inc. of Florida.

Recommended Action:

Staff recommends approval of the Resolution.

Background:

The City of Eustis issued Request for Proposals Number 011-24 for the Collection of Solid Waste Services within the City's corporate boundaries. A staff review committee, including Miranda Burrowes, Rick Gierok, Mari Leisen, Mike Sheppard, Nichole Jenkins and Tom Carrino (with Tracy Jeanes as facilitator) was formed to review responses. The review committee recommended Waste Management's waste-to-energy proposal pending a presentation to City Commission. On December 12, 2024, Waste Management and Reworld presented to City Commission on the waste-to-energy process. Following the presentation, the Commission directed staff to negotiate a new franchise agreement incorporating the waste-to-energy service method.

The current waste disposal contract with Waste Management has been in effect since 2002, and it has been amended seven times over the years. The City of Eustis has maintained a positive relationship with Waste Management over that time, and they have continued to provide good service at a reasonable price.

The proposed agreement includes some key components. The term of the agreement is for five years with up to three additional five-year extensions upon mutual written consent. The franchise agreement establishes Waste Management as the exclusive waste hauler for residential and commercial waste within the City of Eustis.

Service will stay the same with a few exceptions. The biggest change is that all residential waste will be going to Reworld Waste-to-Energy Plant. As such, Eustis residential customers no longer have to separate traditional waste from recyclables. All residential waste will be permitted in either of the two toters provided. As part of this effort, Waste Management has agreed to partner with the City on a marketing and education effort. This will include decals for residential toters and mailers explaining the changes, all done at Waste Management's expense.

The agreement does adjust rates across various services as outlined in the exhibits attached to the Agreement. Below is a breakdown of the proposed monthly residential charges. Residential customers will see a monthly increase of \$2.78, which equates to just over 9 cents per day. Of that \$2.78 increase, \$2.43 is attributable to disposal fees, which is a cost to Waste Management that they must pass along

to the customer.

<u>Breakdown of Increase in Fees</u>	<u>Jan. 1, 2024</u>	<u>% Increase</u>	<u>March 1, 2025</u>
The Solid Waste Collection	\$ 8.47	NA	\$ 13.13
Recycling Collections	<u>4.49</u>	NA	<u>0.00</u>
Total Hauling Fee	\$12.96	1.31%	\$13.13
Disposal Fee	4.42	54.98%	6.85
Franchise Fee (7% Hauling & Disposal)	1.22	14.75%	1.40
Billing Charge	<u>0.42</u>	0.00%	<u>0.42</u>
Total Charges	<u>\$19.02</u>	14.62%	<u>\$21.80</u>

Similar to the existing agreement, the new agreement allows for annual adjustments to the rates based on the Waste & Trash Collection CPI, referred to as the "Garbage & Trash Index". Waste Management will provide information by October 31 to be considered by City Commission each year for a January 1 effective date.

Other items of note in the agreement include the fact that Waste Management will continue to support the City with Community Clean-Ups, trash service for City events, and provision of recycling dumpsters, all at no cost to the City. Also, as a new service at no charge to the City, Waste Management will provide a roll-off dumpster for the disposal of used tires collected by Eustis Public Works.

Due to the positive relationship the City has had with Waste Management, the consistently good service provided to Eustis customers, the positive environmental impact of waste-to-energy, and the efforts to keep costs down, staff is recommending approval of Resolution Number 25-17.

Budget Impact:

Resolution 25-17 will result in increased garbage costs for Eustis residents, businesses, and the City itself, but the negotiated agreement attempted to minimize those increases. It is estimated that the rate increases will result in approximately \$65,000 in additional franchise fee revenue annually.

Attachments:

Resolution Number 25-17

Franchise Agreement between the City of Eustis and Waste Management Inc. of Florida with Exhibits

Prepared by:

Tom Carrino, City Manager