



City Council Agenda Item

Subject: Additional Funds Waste Management Contract

Submitted By: Bobby Jinks

Date Submitted: October 3, 2022

Work Session Date: October 11, 2022

Council Meeting Date: October 11, 2022

Background/History:

At the June 6th City Council meeting, City Council approved an extension of Waste Management’s Sanitation contact with the city for 120 days with some added additional terms. Per City Council’s direction at the June 21st meeting, the previous procurement for a new sanitation contract was thrown out, and the RFP process started over with a recycling component. And at the September 19, 2022, Council meeting, City Council directed the city manager to cancel the sanitation RFP and continue to work with Waste Management.

Sanitation accounts are enterprise funds that generates revenue from the annual billing of residential accounts and the monthly billing of commercial and roll off accounts.

The current billed amount for commercial and residential accounts combined is \$1,500,000. As of July, and August 2022 the combined paid bills by Public Works was \$484,055.55, leaving a remaining balance of \$1,015,944.45, and averaging \$242,027.75 monthly. This leaves a shortage for the next 10 months of approximately \$920,277.50.

The currently billed amount for roll offs is \$1,300,00.00. As of July, and August 2022 the paid bills total was \$551,886.90, leaving a remaining balance of \$748,113.10, and average of \$374,056.55 monthly. This leaves a shortage for the next 10 months of approximately \$2,240,565.50.

Additionally, under the new financial arrangements that was approved by city council June 6, it is costing approximately \$21,000 a month to dispose of containers at the recycling center. This item was “**At No Charge**” previously until July 1, 2022.

With both of these items combined to complete the 22-23 Fiscal Year, we are asking council to appropriate approximately \$3,160,843.00 in additional funds from the city’s reserve fund.

Cost: \$ 3,160,843.00

Budgeted for: _____ **Yes** x **No**

Financial Impact:

Action Requested from Council: - Approval of additional funds from the city’s reserve fund