
Annual Update on the State of the Sanitation Utility Fund, Multi-Family Rate-Study Findings, and Proposed Rate Updates for Fiscal Year 2023.

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The Sanitation Utility



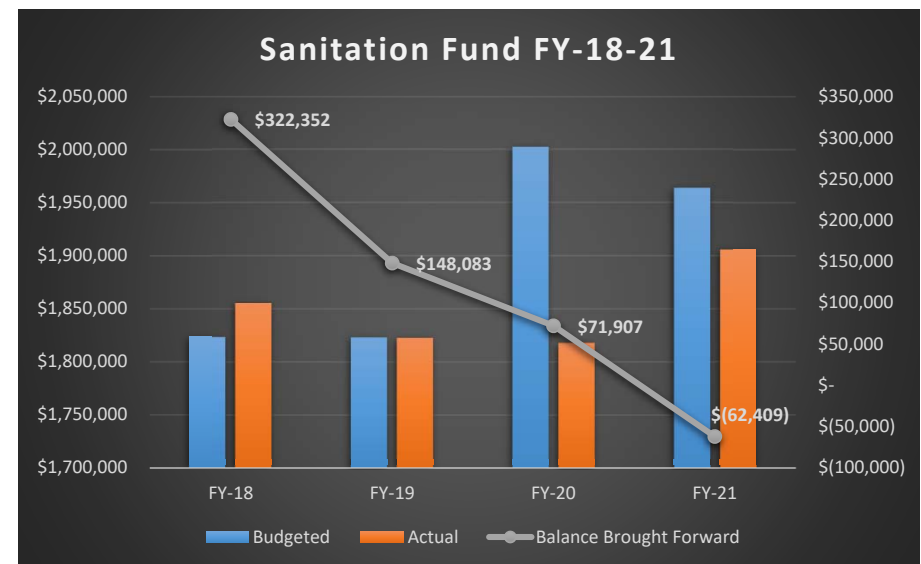
- Collects solid waste from residential and commercial properties
- First line of defense for the health of the community
- 2021 Mixed-Solid Waste Collection and Disposal Production:
 - 16-Million pounds of garbage
 - 4.4 Million pounds of bulky trash/vegetation debris
 - 1.3 Million pounds of recyclable materials



The Sanitation Fund



- Operates as a self-supporting Enterprise governmental fund
- Has historically fluctuated, borrowed from Reserves
- Impacted utility operation, rate stability, and planning for current/future needs



Sanitation Equipment



*With major refurbishment.

- Ten (10) equipment assigned
- Frequent out-of-service periods and operational disruptions

Equipment	Range	Average Service
Automatic Side Loader (3)	10 Years	7.6 Years
Front-End Loader (3)	10 Years	7.6 Years
Grapple (Clamshell) Truck (3)	12 Years	5.75 Years
Rear Loader (1)	N/A	17 Years
Average Years in Service: 7.8 Years		
Recommended Service Life: 7-10* Years		

Sanitation Equipment



- Recommended Equipment Backup Ratio per Solid Waste Association of North America (SWANA): 1:1.2/1:1.5
- **Lead Time:** currently 18-24-months

Asset (# in Fleet)	Needed for Daily Operations	1:1.2 Ratio	1:1.5 Ratio
Automatic Side Loader	2	2.4	3
Front-End Loader	2	2.4	3
Grapple (Clamshell) Truck	2	2.4	3
Rear Loader	0	1.2	1.5

Sanitation Rate History



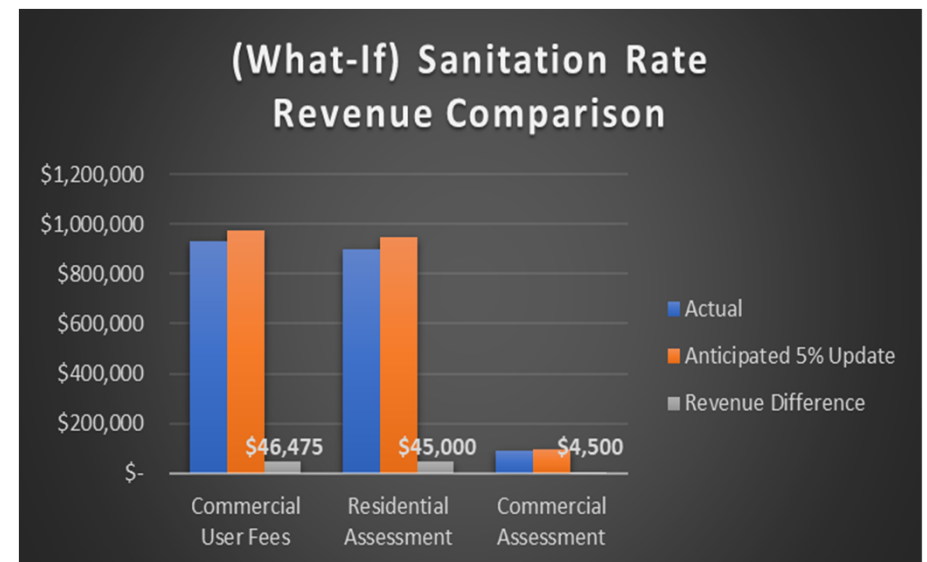
- Rate Study completed in 2020, recommended incremental rate adjustments
- Residential and Commercial Rates increased 9% in 2020

Date	Resolution	Rate Change	Residential Rates	Commercial Rates
9/18/2019	74-09-19	N/A	No	No
8/19/2020	56-08-20	9%	Yes	Yes
4/21/2021	23-04-21	N/A	No	No
5/19/2021	28-05-21	5%	No*	No
7/21/2021	41-07-21	N/A	No	No
*Adopted, not implemented				

Sanitation Rate History



- 2021: Town Commission approved follow-up **5%** increase
 - Only included Residential Rates
 - Not implemented due to implementation shortfall
 - Resulted in loss of revenue
 - Impacts amplified by COVID-19 Pandemic



2022 Sanitation Rate Study



- Multi-Family Dwellings:

- Code does not differentiate between single-family and multi-family dwellings
 - Single-family/<5 unit multi-family dwelling=\$234.88
 - >5 unit multi-family dwelling =\$159.06 (32% lower than single-family)
- Multi-family (5 units or greater) w/ dumpster service: **44 of 50 (88%)**
- Residential Single-family and Multi-family dwellings have differing solid waste generation rates and collection requirements

2022 Sanitation Rate Study



- Commercial Non-Ad-Valorem:

- Assessment is based on square footage of commercial property and rate of solid waste generation (low, medium, and high)
- Represents approximately **\$90,000** in total annual Revenue (9.7%)
- Neighboring communities do not assess a separate Non-Ad-Valorem assessment annually; only charge for dumpster fees

Recommendations



- I. Approve and implement a 10% rate increase for both Residential and Commercial services
 - FY-22 Revenues: \$1,919,500.00
 - FY-23 Revenue: **\$2,111,450.00***
 - Projected Revenue Increase: **\$191,950.00**
 - *(Implementation Timeline: September/October 2022)*

*Proposed



Recommendations



2. Eliminate Commercial Non-Ad-Valorem Assessment and Increase Dumpster Fees by a Corresponding Amount.

- Estimated Commercial Non-Ad-Valorem Revenue: **\$90,000.00** (9.7% of total)
- Percentage Increase: 0% (**Fund Revenue Neutral**)
- *Implementation Timeline: October 2022*
- *Example:*

Speedway, 1216 Northlake Blvd
Service: 4-cy dumpster, x2/week

Current Annual NAV	Current Monthly Dumpster Fees	Proposed Annual NAV	Proposed Monthly Dumpster Fees
\$308.16	\$323.54	N/A	\$387.28

Recommendations



3. Complete Bi-Annual Sanitation Rate Study
 - **January 2023:** Comprehensive Rate Study to evaluate Fund Revenue and Utility Cost of Service
 - **January 2025:** Rate Study to evaluate Fund Revenue



Recommendations



4. Transition Multi-Family (5 units or greater) to Commercial Rate Class
 - Requires Update to Ordinance
 - Aligns Rate Class w/ Type of Service
 - Industry standard
 - Preceded by robust public outreach and meetings
 - Projected Revenue increase of **\$115,807.00 (68% at today's rates)**
 - **Varying** cost increases for dumpster services (Billed to HOA's)
 - *Implementation Timeline: **FY-24***

Recommendations



MULTI-FAMILY (5 OR GREATER) RATE OUTLOOK



Average: **68%**

Minimum: **-42%**

Maximum: **358%**

Recommendations



- *Example:* Lake View Condominium, 810 Lake Shore Drive
Service: (2) 3-cy x3/week

Annual NAV Assessment to EA Property Owner (46 Units)	Total Annual NAV Assessment (Revenue)	Annual Proposed NAV Assessment to EA Property Owner (46 Units)	Proposed Monthly Commercial Dumpster Fees Billed to HOA's	Proposed Annual Commercial Dumpster Fees (Revenue) Billed to HOA's	Estimated Percentage Increase
\$159.06	\$7,316.76	N/A	\$727.94	\$8,735.28	19%

Recommendations



- *Example:* Mariner's Key, 901 Lake Shore Drive
Service: (8) 2-cy dumpsters and (8) 3-cy x3/week

Annual NAV Assessment to EA Property Owner (207 Units)	Total Annual NAV Assessment (Revenue)	Annual Proposed NAV Assessment to EA Property Owner (207 Units)	Proposed Monthly Commercial Dumpster Fees Billed to HOA's	Proposed Annual Commercial Dumpster Fees (Revenue) Billed to HOA's	Estimated Percentage Increase
\$160.84	\$33,293.88	N/A	\$4,852.88	\$58,234.56	77%

Recommendations



- *Example:* 543 Kalmia Drive
Service: (1) 3-cy x2/week

Annual NAV Assessment to EA Property Owner (8 Units)	Total Annual NAV Assessment (Revenue)	Annual Proposed NAV Assessment to EA Property Owner (8 Units)	Proposed Monthly Commercial Dumpster Fees Billed to HOA's	Proposed Annual Commercial Dumpster Fees Billed to HOA's	Estimated Percentage Increase
\$159.06	\$1,272.48	N/A	\$242.64	\$2,911.68	129%



Discussion/Questions