

Moreover, the Sanitation Utility operates as a self-supporting enterprise fund, but has historically used operating reserves to cover actual expenses that exceeded the budget amounts.

Additionally, due to an aged fleet and staffing shortages, the Sanitation Utility regularly experiences collection delays and other operational disruptions.

To continue to address these concerns and provide the highest possible level of service to its customers, in January 2023, the Town Commission engaged with financial consultant Raftelis to conduct a comprehensive fiscal analysis of the Sanitation Utility.

The primary objectives of the analysis are as follows:

- *Develop a funding strategy to pay for Solid Waste Utility operations, maintenance, and vehicle replacement needs.*
- *Emphasis on improving the fleet replacement schedule to provide higher service reliability, reduce costs related to service interruptions, and reduce maintenance expenses.*
- *Proposed strategy may also result in higher auction values at the time of resale which may be reinvested in the system.*
- *Estimate revenue requirements to be recovered from solid waste rates.*
- *Identify the need for future rate adjustments.*

Finally, during the follow-up public meeting scheduled for June 8, 2023, Town and Raftelis Staffs will present information regarding the state of the Sanitation Utility as well as present the findings and recommendations associated with improving the Utility's operation and fiscal standing.

Recommended Motion: There is no motion associated with this Agenda item. For discussion only.