



FINANCE DEPARTMENT

To: Mayor and Town Council

From: Chris Landrum, Finance Director

**Through: Mario Canizares, Town Manager
Bob Scott, Deputy Town Manager**

Re: Solid Waste Second Contract Amendment and Annual CPI Adjustment

Town Council Meeting – November 12, 2024

Strategic Visioning Priority: 4. Provide Excellent Municipal Services

Agenda Item:

Consider and act upon authorizing the Town Manager to enter into a second contract amendment with Republic Services to convert to once-a-week residential bulk pick up and to approve a revised fee schedule effective February 1, 2025, adjusting commercial and residential prices for the twelve-month CPI change.

Description of Agenda Item:

The original solid waste services contract was awarded to Republic Services on June 27, 2023, for a seven-year initial term with three one-year renewals. On May 28, 2024, Amendment No. 1 was approved by Council as Republic agreed to certain fee reductions in relation to Commercial (including HOA's) 95-gallon trash and recycling carts. As staff reviewed the first nine-months of solid waste services, it identified once a month bulk pick as a source of frequent confusion and complaints. Accordingly, it requested pricing for two possible options: a) weekly bulk pick up with no Saturday Drop- Off Service or one time pick up of moving boxes, and b) weekly bulk-pick up maintaining all current services. The pricing was presented to Council at the October 22, 2024, work session and council chose Option b) which will result in an increase of \$3.20 per month. The current rate of \$18.55 will increase by \$3.80, bringing the new rate to \$22.35. This increase includes an additional \$0.60 for the annual CPI adjustment and \$3.20 for expanded services.

Regarding the annual CPI increase, the contract specified the 12 months change February to February of the Consumer Price Index-All Urban Consumers for the Garbage and Trash Collection with the coming year's adjustment to be proposed to the Town no later than November 1. This wording would have resulted in very old CPI data and both entities agreed to use the twelve months ending each September. The twelve-month September change for this index was 3.8% which will be applied to all services with the exception of weekly bulk collection which is a new service. In addition, it was agreed that the cart replacement fee would be adjusted from the current \$25 to \$60 to better reflect actual replacement cost to the Town.

Budget Impact:

These fees are passed through to Republic and will not have budget impact. The Town retained monthly fees of \$2.00 for cart financing and \$0.80 for administrative costs, which are sufficient and will not be increased.

Legal Obligations and Review:

Terrence Welch of Brown & Hofmeister, L.L.P., has approved the attached documents as to form and legality.

Attached Documents:

1. Proposed Contract Amendment
2. Updated 2025 Appendix D & E Residential and Commercial Fee Schedules

Town Staff Recommendation:

Staff recommends the Town Council authorizing the Town Manager to enter into a second contract amendment with Republic Services to convert to once-a-week residential bulk pick up and to approve a revised fee schedule effective February 1, 2025, adjusting commercial and residential prices for the twelve-month CPI change.

Proposed Motion:

I move to authorize the Town Manager to enter into a Contract Amendment No. 2 with Republic Waste Services enacting the contractually required adjustment for changes in CPI and increasing residential bulk pick up to weekly.