



# Solid Waste Rate Study

# Presentation Outline

- ★ Introduction
- ★ Program Attributes and Performance
- ★ Rate Review Process
- ★ Scenarios
  - Scenario 1: Status Quo
  - Scenario 2: Cash Fund all CIP & Capital Equipment
  - Scenario 3: Debt Fund CIP & Capital Equipment



# Introduction

Circonomy Solutions hired to complete a rate design study of the Town's residential refuse collection operations (Study).

- Scope  
The purpose of this Study was to determine the total cost of providing solid waste services and design rates to safeguard the financial integrity of the program.

This report provides a discussion of the methodology utilized to conduct the analysis, the cost of providing services and recommended rates to be adopted for solid waste services.



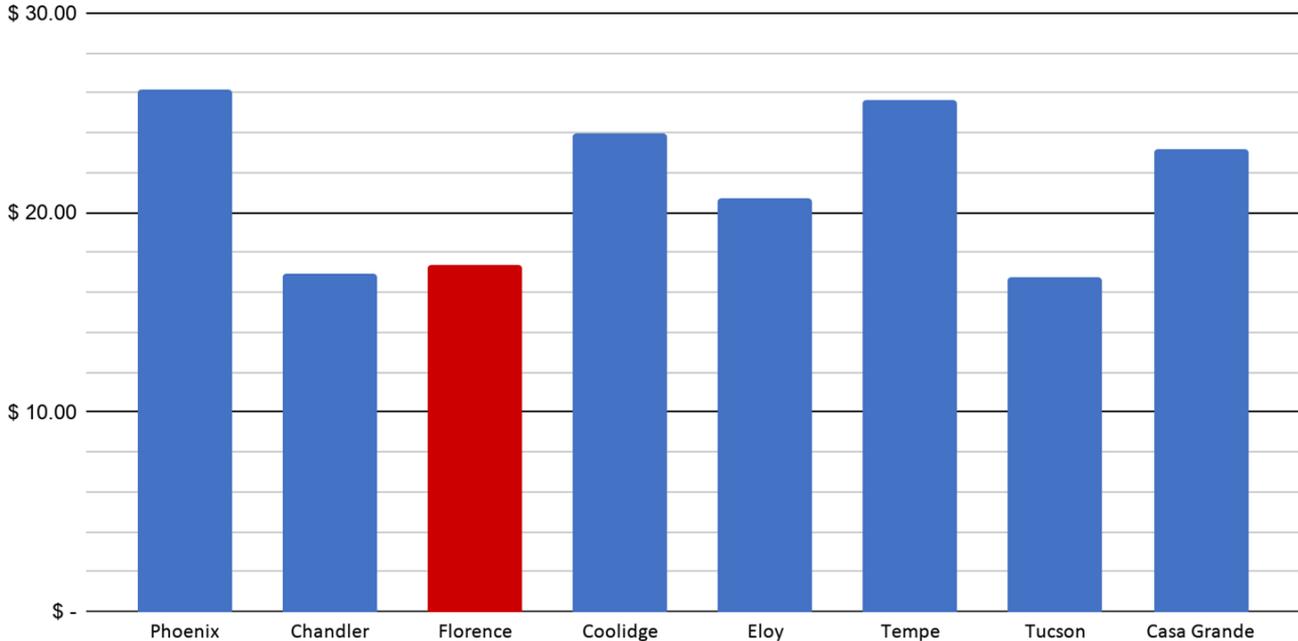
# Program Attributes and Performance

- Garbage
- Recycling
- Bulk Trash
- Free Disposal once a month
- Yearly Community clean-up
- Rental Equipment

Type	FY20
RAD Residential (1 week pick-up)	\$ 17.33
RAD Residential (1 week pick-up) ADOC	\$ 13.17
RAD Additional Container -1 week pick up	\$ 5.00

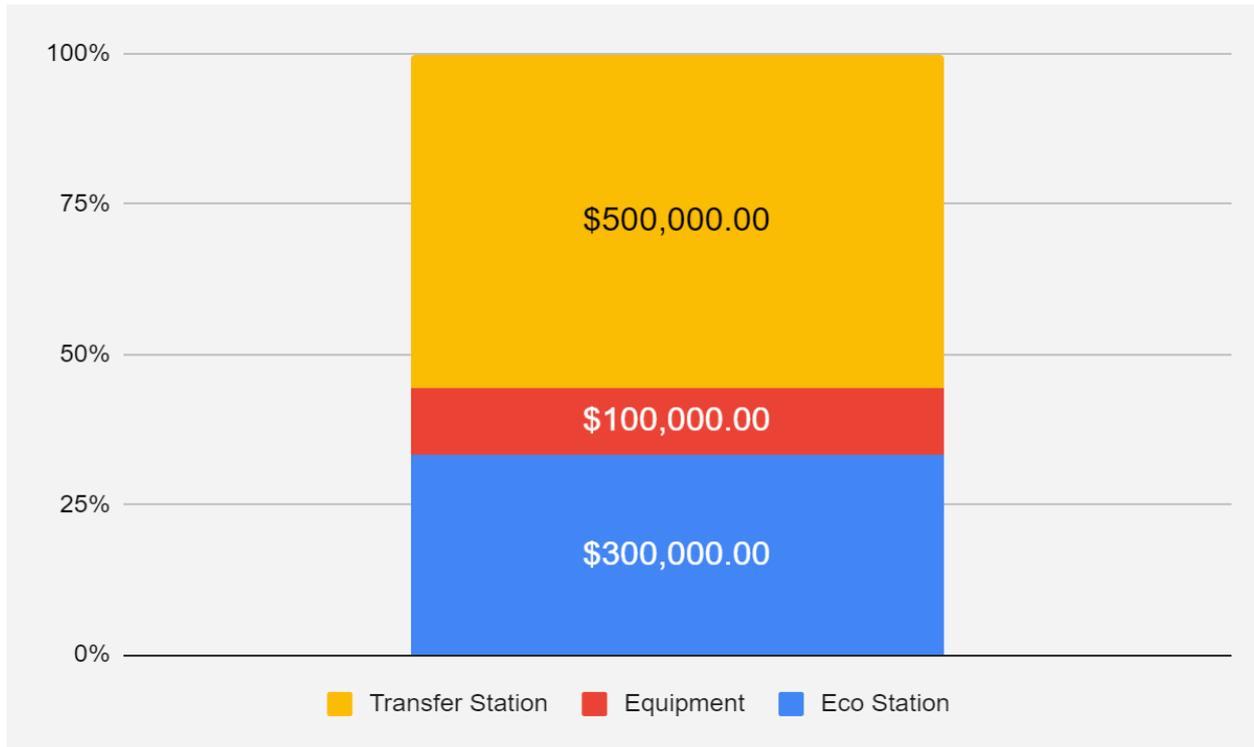
# Benchmark of Other Cities

How does the Town of Florence compare with other cities?



# Program Attributes and Performance

## CIP & Capital Equipment

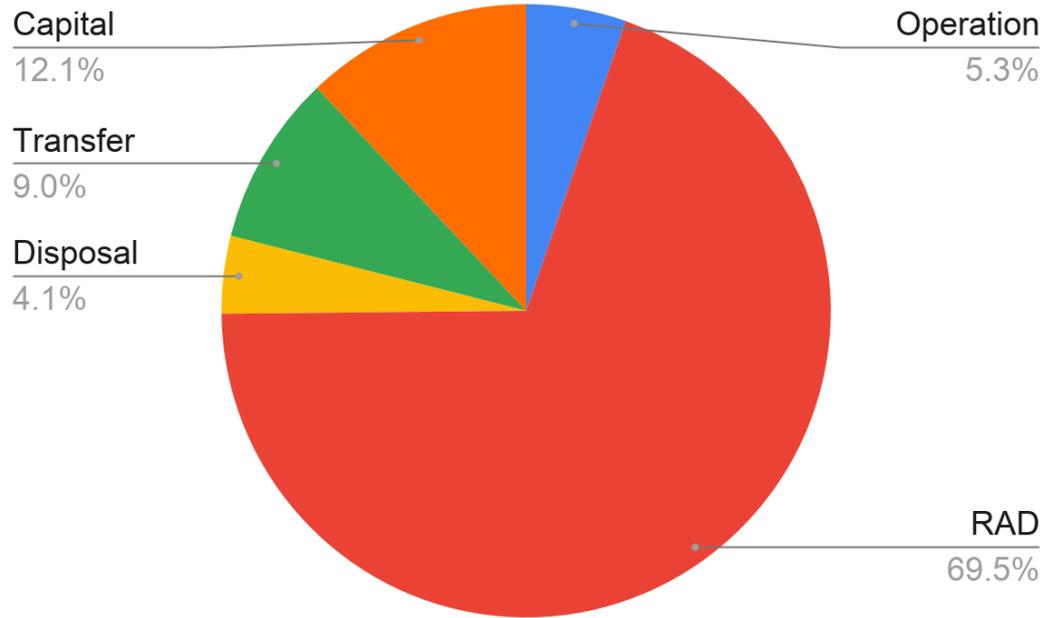


# Rate Review Process

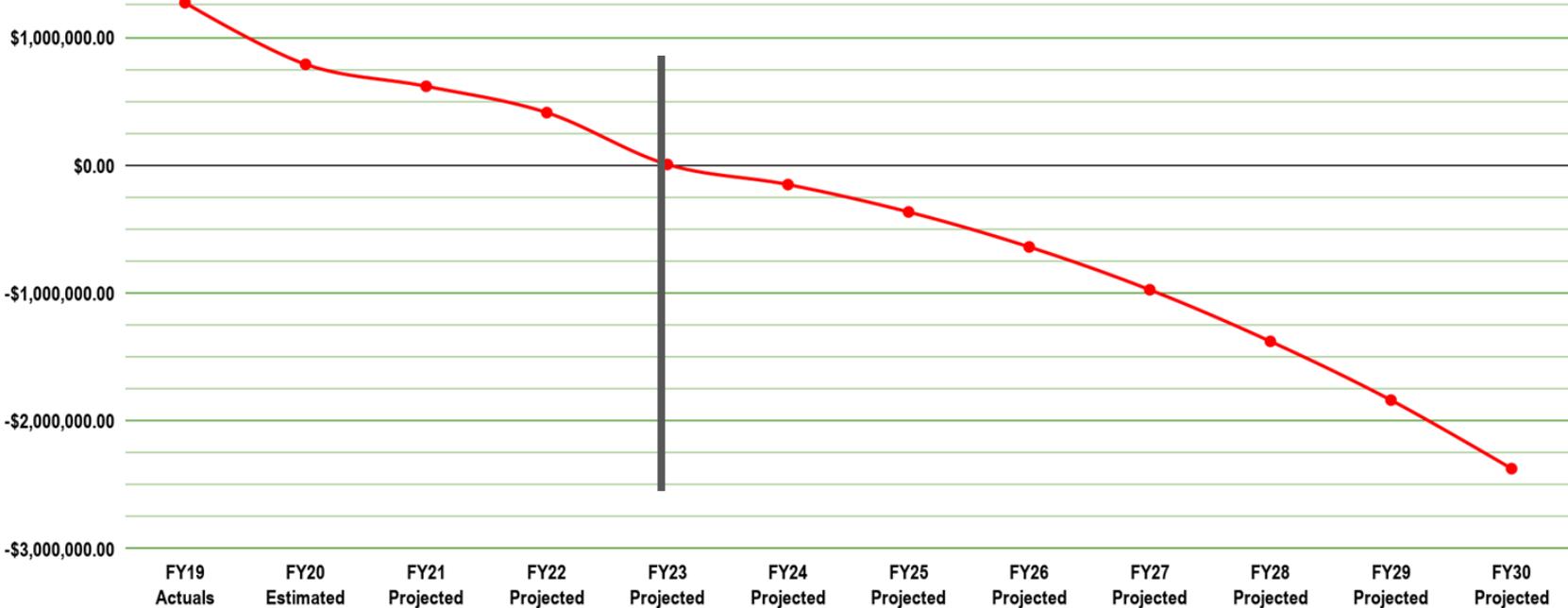
- ❖ Most operating expenses increase 3-4% per year; some expenses (insurance) increase at higher rates
- ❖ Because town contracts, personnel levels and other factors likely to remain stable but will be subject to modest cost increases
- ❖ Capital Improvement Plan used reflects review and analysis by Staff
- ❖ Assumes a 5% yearly increase of Billing units

# Rate Review Process

Test Year FY21	
Operation	\$65,954.00
RAD	\$842,966.15
Disposal	\$50,887.00
Transfer	\$112,200.00
Capital	\$150,000.00
Cost of Service	\$1,222,007.15



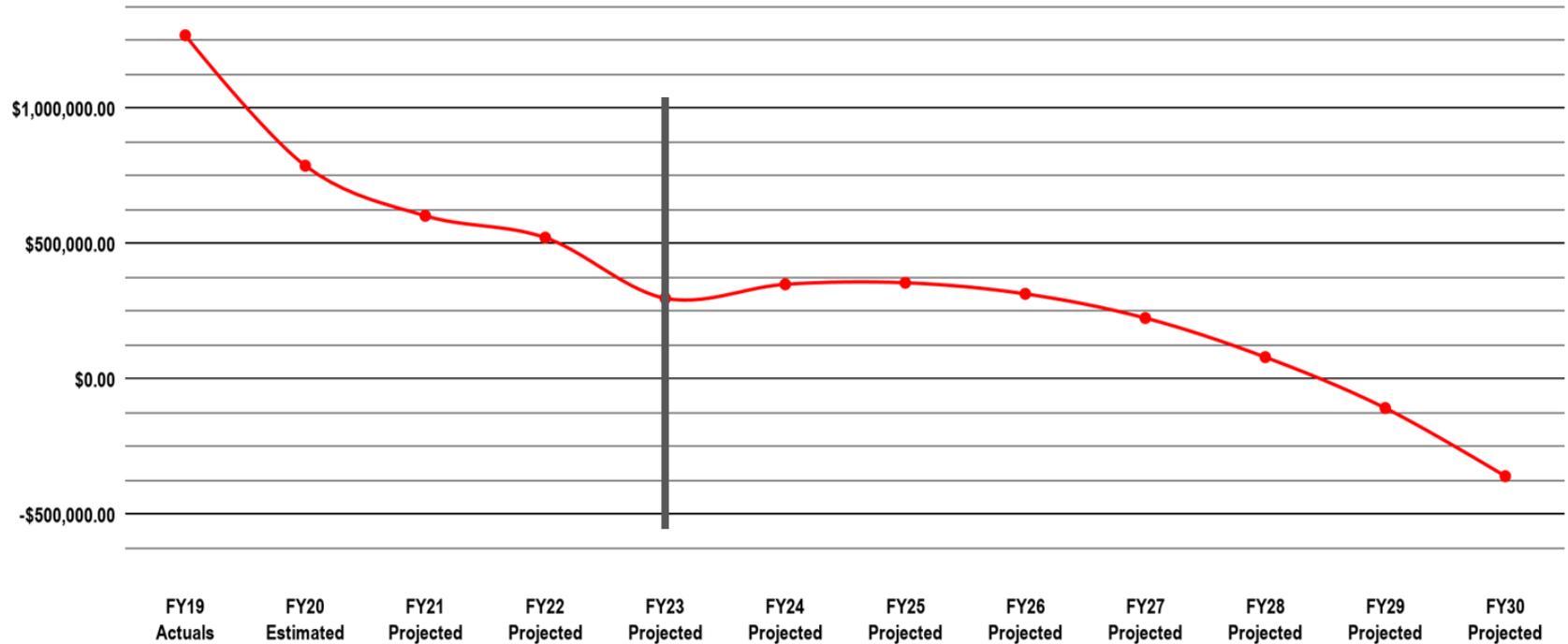
# Scenario 1 - Status Quo



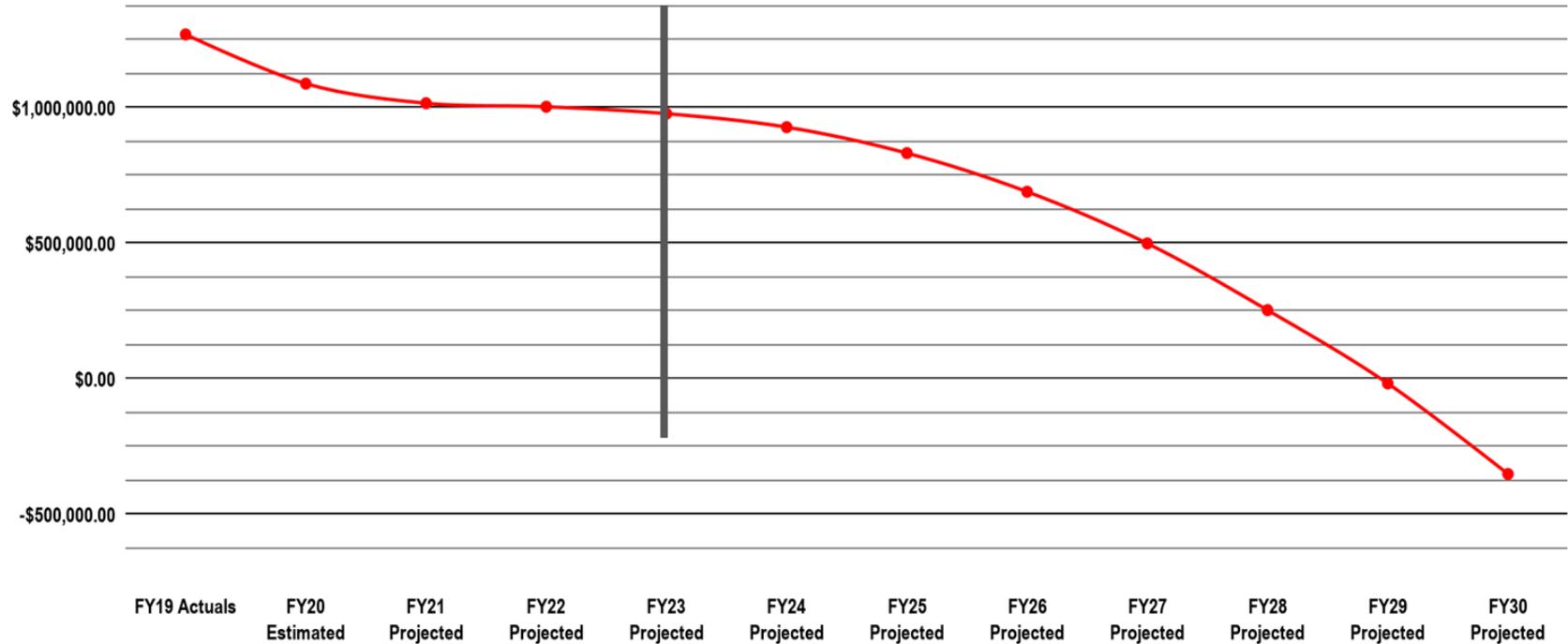
# Proposed Rate Structure

	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25-30</b>
<b>Proposed Rates</b>	\$18.08	\$19.08	\$20.00	\$20.50	\$20.50	\$20.50

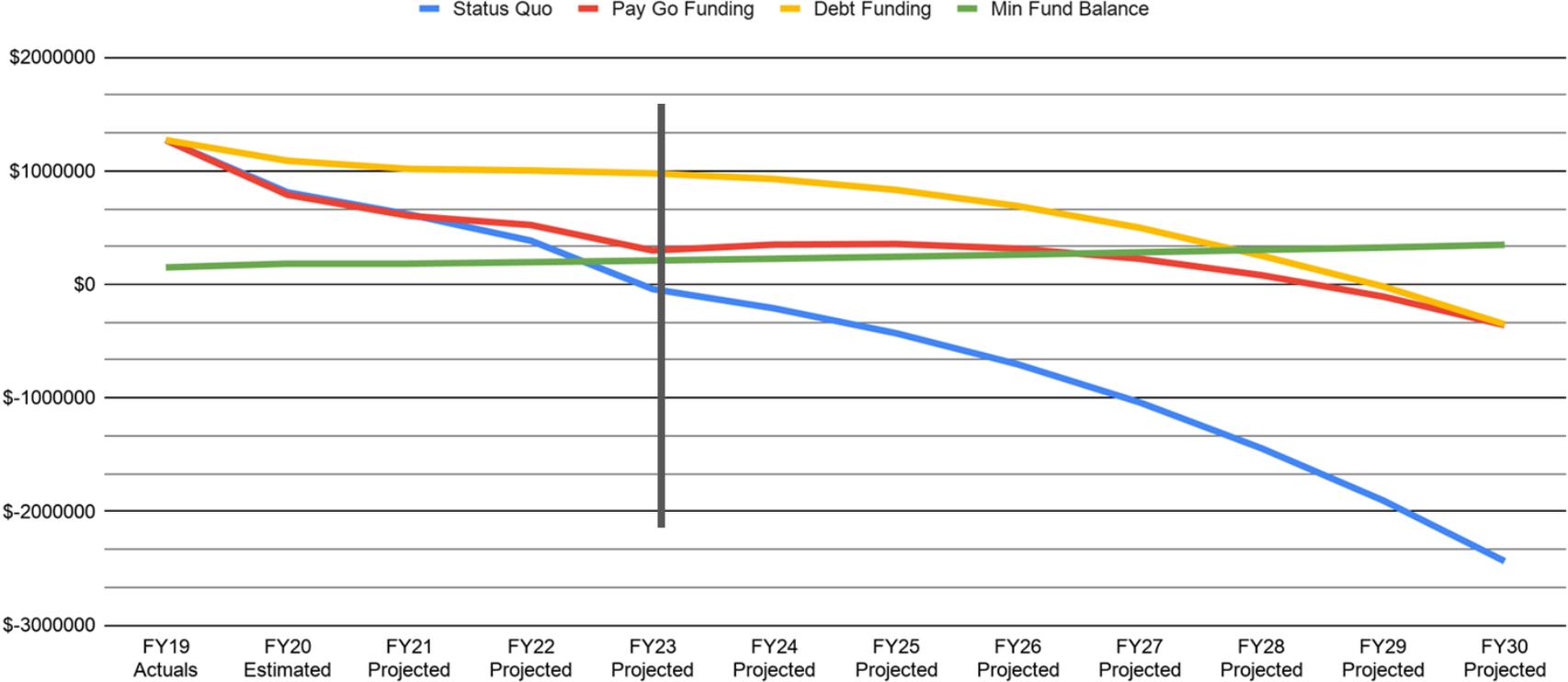
# Scenario 2 - Pay Go



# Scenario 3 - Debt Fund



# Scenario - Comparisons



# Recommendations

- Increase Residential Fees to the following:
  - FY20 - \$18.08
  - FY21 - \$19.08
  - FY22 - \$20.00
  - FY23 - \$20.50
- Recommend the Town maintain an ending fund balance equal to two months of operational expense
- Increase Residential Fee for ADOC equal to Residential Fee
- Increase second container to half of Residential Fee
- Increase Commercial Fee 10% above RAD costs
- Review Fee Forecast yearly
- Recommend the Town consider debt funding Capital Equipment and CIP projects.
- The RAD contract will expire by 7/1/2023. Town will need to start procurement process by January '22 so the contractor will have time to procure equipment for a start date of July '23.