



# Pinellas County

## Staff Report

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File #: 22-0796A, Version: 1

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### **Subject:**

Resolution revising the Solid Waste Tipping Fee for Fiscal Years 2023, 2024, and 2025.

### **Recommended Action:**

Approval of the Solid Waste Rate Resolution for Fiscal Year (FY) 2023 through FY25, adopting revised fees for disposal of approved solid waste at the Solid Waste Disposal Facilities.

- Recommendation stems from the Long-Range Solid Waste Rate Study, conducted by a third-party professional firm and presented to the Board of County Commissioners on April 21, 2022.
- The Department of Solid Waste (DSW) recommends adopting a three-year rate increase to allow planned budgeting and operations.
- Tipping fees are currently \$44.70 per ton and recommended to increase by 6.8% each year for the next three years (equates to an incremental \$3.05 per ton in FY23, \$3.25 per ton in FY24, and \$3.50 per ton in FY25).
- Increasing tipping fees will contribute to long-term fiscal sustainability of DSW operations as detailed in the Solid Waste Master Plan.
- Tipping fees are currently lower than all adjacent counties and municipalities that operate a waste-to-energy facility.

### **Strategic Plan:**

Practice Superior Environmental Stewardship

3.4 Reduce/reuse/recycle resources including energy, water, and solid waste

Foster Continual Economic Growth and Vitality

4.4 Invest in infrastructure to meet current and future needs

Deliver First-Class Services to the Public and Our Customers

5.2 Be responsibility stewards of the public's resources

### **Summary:**

This action is a Solid Waste Rate Resolution for FY23 - FY25. The resolution provides for an annual increase in the per ton tipping fees for disposal of approved solid waste, including municipal solid waste (MSW), commercial waste, and yard waste, at the Solid Waste Disposal Facilities.

### **Background Information:**

DSW contracted with Raftelis Financial Consultants Inc. (Raftelis) to perform a long-range solid

waste rate study. This long-range study examined the revenue sufficiency of existing solid waste tipping fees for FY22 through FY52. The rate study results reflected the need to implement a 6.8% increase in each of the three fiscal years from FY23 - FY25. The results of this rate study were presented to the Technical Management Committee (TMC) and staff.

Upon reviewing the rate study results, the TMC provided a formal recommendation to increase the tipping fees by 5.5% (by \$2.46 per ton) and for FY23 only, with an effective date of October 1, 2022. On May 25, 2022, the TMC was informed the staff recommendation to the Board, contained herein, differed from the TMC's recommendation. The TMC offered no comments or objections.

The staff recommends increasing the tipping fees by 6.8% in each of the three fiscal years from FY23 - FY25. This follows the results of the rate study as prepared by Raftelis. The increases would become effective on October 1 of each fiscal year.

The staff recommended increase in tipping fees is needed to meet the gross revenue requirements of the Solid Waste Disposal Facilities, as identified and detailed in the solid waste rate study. The gross revenue requirements include annual operating expenses, major maintenance, capital expenditures, transfers to fund landfill closure and long-term care, and required reserves.

Per County code, the TMC will continue to follow its prescribed practice of reviewing rates and providing annual rate recommendations.

**Fiscal Impact:**

The fees are currently \$44.70 per ton and are recommended to increase by 6.8% in each year for the next three (3) years. These increases equate to \$3.05 per ton in FY23, \$3.25 per ton in FY24, and \$3.50 per ton in FY25. Tipping fee revenue from existing rates is estimated to total \$49.4M in FY22. As a result of the proposed per ton rate increases, incremental tipping fee revenue is estimated to be \$3.2M, \$3.4M, and \$3.7M for FY23, FY24, and FY25, respectively.

**Staff Member Responsible:**

Paul Sacco, Director, Solid Waste  
Chris Rose, Director, Office of Management and Budget

**Partners:**

Technical Management Committee (TMC)

**Attachments:**

Solid Waste Rate Resolution  
TMC Rate Recommendation Letter  
Raftelis Rate Study Presentation  
Public Hearing Notice