



# Pinellas County

## Staff Report

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File #: 19-198A, Version: 1

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### **Subject:**

Resolution revising Solid Waste Tipping Fees.

### **Recommended Action:**

Approval of the Solid Waste Rate Resolution for Fiscal Year (FY) 2020 through FY 2022 adopting revised fees for disposal of approved solid waste and the Solid Waste Disposal Facilities.

- Recommendation stems from data presented by the long-range solid waste rate study, conducted by a third party professional firm.
- The Solid Waste Technical Management Committee, the Board's solid waste advisory committee, recommends adoption of three-year rate increase.
- Tipping fees are currently \$37.50 per ton and recommended to increase by 6.0% each year for the next three (3) years (equates to incremental \$2.25 per ton in FY20, \$2.40 per ton in FY21, and \$2.55 per ton in FY22).
- Increasing tipping fees will contribute to long-term fiscal sustainability of Solid Waste operations.
- Tipping fees have not been increased since 1988 and are currently lower than all adjacent counties and municipalities.

### **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 responsible stewards of the public's resources

### **Summary:**

This action is a Solid Waste Rate Resolution for FY20 - FY22. 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:**

The Solid Waste Department contracted with Public Resources Management Group, Inc. (PRMG) to perform a long-range solid waste rate study. This long-range study examined the revenue sufficiency of existing solid waste tipping fees for FY18 through FY48. The results of this rate study were presented to the TMC and staff. Upon reviewing these results, the TMC provided a formal recommendation to annually increase the tipping fees from FY20 through FY22. The increases

would become effective on October 1 of each fiscal year.

The 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 \$37.50 per ton and are recommended to increase by 6.0% each year for the next three (3) years. These increases equate to \$2.25 per ton in FY20, \$2.40 per ton in FY21, and \$2.55 per ton in FY22. Tipping fee revenue from existing rates is estimated to total \$38.8M in FY19. As a result of the proposed per ton rate increases, incremental tipping fee revenue is estimated to be \$2.3M, \$2.4M, and \$2.6M for FY20, FY21, and FY22, respectively.

**Staff Member Responsible:**

Paul Sacco, Director, Solid Waste

Linda Larkins, Budget & Financial Management Analyst, Office of Management and Budget

**Partners:**

Technical Management Committee (TMC)

**Attachments:**

Solid Waste Rate Resolution

TMC Rate Recommendation Letter

PRMG Rate Study Report

PRMG Rate Study Presentation

Public Hearing Notice