



## THE CITY OF KEY WEST

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MEMORANDUM

**TO:** Patti McLaughlin, City Manager

**Cc:** Todd Stoughton, Assistant City Manger  
Mark Finigan, Finance Director

**FROM:** John Paul Castro, Utilities Director

**DATE:** October 4th, 2021

**SUBJECT:** Budget Amendment for Solid Waste Operations Accounts in Fiscal Year 20-21 Exceeding \$50,000.00

**Action Statement:**

Authorizing a budget amendment to the fiscal year 2020-2021 solid waste fund in the amount of \$315,146. Additional revenue generated in FY21 would be recognized and used to increase the budgets for Solid Waste Collections in the amount of \$17,523, Solid Waste Transfer Station Operations in the amount of \$128,072 and Solid Waste Hauling in the amount of \$169,551.

**Background:**

The City utilities department creates yearly rate models and budgets that are approved by the commission. The model is based on maximum contractual increases in future years. Annual Solid Waste budgets presented to and subsequently approved by the City Commission for any given year are based off current costs with projected house counts.

To avoid large over budgeting for the utility (which has created excess reserves in the past) the budgeted amount is created to match forecast tonnages for the current year at the current rate. The model then uses the contractual 2.5% maximum increases from two fiscal years in the future, outward to plan for future increases.

Put simply, the model will account for worst case scenario increases in the future to plan conservatively but the budgeted amounts usually do not have overages.

**Purpose and Justification:**

The residential collections account changes that occurred during Fiscal Year 2020-2021 were billable unit counts went from projected 14,447 to 14,533.

*Key to the Caribbean – Average yearly temperature 77° F.*

Transfer station operations and hauling accounts are billed by tonnage, the shortage in these accounts were due to extraordinary visitor occupancy and a budgeted shortage in tonnage due to the pandemic.

**Financial Impact:**

The budget amendment necessary to pay the final invoices for fiscal year 2020 – 2021 will require budget transfers to recognize additional revenue received in accounts Solid Waste – Dumping 403-0000-343-4500, in the amount of \$105,499, and Solid Waste – Commercial 403-0000-343-4600, in the amount of \$209,647 totaling \$315,146, and then applied to Solid Waste/Collections/Contractual Services 403-3404-534-3400 in the amount of \$17,523, Solid Waste/Hauling/Contractual Services 403-3405-534-3400 in the amount of \$169,551, and Solid Waste/Transfer Station Operations/Professional Services 403-3402-534-3100 in the amount of \$128,072.

**Recommendation:**

Staff recommends approving the budget amendment to pay final Waste Management invoices for fiscal year 2020 – 2021, authorizing budget transfers to residential collection and hauling accounts.