




MEMORANDUM

Date: June 6, 2024

To: Honorable Mayor and Commissioners

Via: Albert P. Childress
City Manager 

From: Matt Willman
Interim Utilities Director

Subject: **24-5907. Authorizing FY 2025 Preliminary Solid Waste Assessment Resolution, in the amount of \$362.82 per Dwelling Unit, for the Annual Solid Waste Residential User Fee**

Introduction

The preliminary solid waste assessment resolution is necessary for the process of setting a maximum annual residential solid waste service charge of \$362.82 per dwelling unit, as a non-ad valorem assessment on the property tax bill.

Background

Per Chapter 58, Article V of the Code of Ordinances, the City Commission has the authority to impose an annual solid waste service assessment to residents prior to the start of each fiscal year. The rate generally covers the cost of collection and disposal of municipal solid waste, yard waste and recycling. Free bulk item pick-up and monthly hazardous household waste pick-ups are included in the rate.

There are two main components for the process of adopting the rates: adopting a preliminary rate resolution and a final rate resolution. This resolution will adopt a preliminary rate.

The preliminary rate resolution authorizes a public hearing to receive and consider comments from the public and consider adoption of the final rate resolution for the solid waste service assessment. The final rate resolution public hearing will be held on August 8, 2024, at 5:00pm in the City Commission chambers.

The Annual Solid Waste budget is established to accomplish the following goals:

- Fund solid waste and recycling material curbside collection and municipal solid waste hauling service from the Rockland Key Transfer Station.
- Continue implementation of the 2012 Solid Waste Master Plan with the goal to increase recycling rates and management of the solid waste utility.
- Continued maintenance of Stock Island Landfill and operation of the Rockland Key Transfer Station.
- Provide staff and equipment to ensure a safe and effective level of service.

To set a proposed rate, staff develops rate models that consider: operating costs, maintenance costs and capital improvement costs with the goal of maintaining an appropriate reserve balance. Staff compares any proposed increase versus the Consumer Price Index (CPI) for the preceding year.

Staff is proposing a rate increase to \$362.82 from \$348.87 for this coming fiscal year which is a 4.0% increase and is lightly higher than the CPI-U. A significant reason for the increase is the continued high fuel costs. Waste hauling comprises a significant portion of the operating costs and fuel prices have a dramatic effect on operating costs since waste is ultimately hauled over 150 miles away to the mainland.

Procurement

Staff is working with Anser Advisory, formerly known as Government Services Group (Anser) to mail notices to Key West property owners who were not noticed last year, i.e., new property owners. Previous and current notices inform residential property owners as to the MAXIMUM solid waste assessment rate, a rate which could only be increased if approved by the City Commission, and only after additional public notices are sent by mail to property owners who are assessed the user fee.

Notices mailed last year stated:

Maximum solid waste rate for FY 2024 - \$348.87

Maximum solid waste rate for future fiscal years - \$393.08

Notices to be mailed this year will state:

Maximum solid waste rate for FY 2025 - \$362.82

Maximum solid waste rate for future fiscal years - \$393.08

Projected assessments to be apportioned among benefited parcels for the Fiscal Year commencing October 1, 2024, is \$5,057,239.13 held in fund 4030000-3434201.

Pursuant to 197.3632, F.S., not less than twenty days shall pass between the notice of the preliminary solid waste rate of assessment and the final solid waste assessment resolution which shall establish the solid waste rate of assessment and approve the assessment tax roll. The City Commission may approve the preliminary solid waste assessment at the June 6, 2024 meeting, and adopt the final assessment resolution and approve collecting the solid waste assessment on the property tax bill, at the August 8, 2024 city commission meeting.

Recommendation

The City Managers office recommends adopting a 2025 preliminary solid waste rate assessment, in the amount of \$362.82 per dwelling unit, to be charged as an annual non-ad valorem assessment on the property tax bill and direct the City Manager to prepare an updated assessment roll for FY 2024-25.