




MEMORANDUM

Date: September 7, 2023

To: Honorable Mayor and Commissioners

Via: Albert P. Childress 
City Manager

From: Kelly Crowe, Utilities Director

Subject: **Annual Adjustment of Dumping (Tipping) Fees for Fiscal Year 2023/2024.**

Introduction

Approval of this resolution will adjust the dumping (tipping) fee at the City of Key West Transfer Station on Rockland Key to \$175.79 per ton.

Background

Residential and commercial accounts for solid waste service include a disposal cost within their annual rate. For all other disposal activity that is routed through the city's transfer station, a fee is charged for the handling and disposal of the material. Examples of independent disposal activity include dumping of landscape material and debris from construction activity.

The tipping fee is charged to support the following costs:

- Transfer station staffing and operations for city staff and Waste Management contract staff.
- Hauling costs from the transfer station to Pembroke Pines.
- Capital improvements to the transfer station.
- Generate and maintain adequate reserve capital for future use.

Section 58-67 of the Code of Ordinances authorizes the City Manager to administratively adjust the tipping fee; however, it has been customary for staff to seek City Commission approval of an increase to the tipping fee. Staff believes that this practice provides adequate oversight and transparency.

Procurement

Per Section 58-67 of the Code of Ordinances, the tipping fee may be “adjusted by a percentage equal to the change in the Consumer Price Index (CPI) published by the Bureau of Labor Statistics of the United States Department of Labor for June of the current year of adjustment, compared with the index for June of the preceding year”. The CPI-U from June 2022 to June 2023 is 3%.

The city’s rate model consultant conducted rate studies for solid waste expenses as well as revenue anticipated to be generated into the next fiscal year. The solid waste rate model for the upcoming fiscal year projects that a rate increase of 2.5% is adequate to meet the objectives of the fee. The proposed fee increase is within the limits prescribed by city ordinance.

The proposed tipping fee for Fiscal Year 2023/24 is as follows:

	FY 2023 Budget (current)	Proposed FY 2024 Budget	Increase
Tipping Fee	\$171.50 (per Ton)	\$175.79 (per Ton)	+\$4.29

Recommendation

The City Manager’s Office recommends the Mayor and City Commission approve an increase in the Tipping Fee for Fiscal Year 2023/2024 and establish a rate of \$175.79 per ton.