



## MEMORANDUM

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Date: August 8, 2024

To: Honorable Mayor and Commissioners

Via: Todd Stoughton  
Interim City Manager

From: Matt Willman, Interim Utilities Director

Subject: **Authorizing a \$357.59 Annual Solid Waste Residential Non-Ad Valorem Assessment Charge for the City's FY 2025 Solid Waste Annual Rate Resolution.**

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### **Introduction**

The Annual Solid Waste Rate Resolution is required in the process of billing for the solid waste utility as non-ad valorem assessment on the property tax bill. The rate request is to establish an annual service charge of \$357.59.

### **Background**

The City Commission of Key West, Florida, enacted Ordinance No. 13-09, which authorizes the annual re-imposition of a Solid Waste Service Assessments for Solid Waste collection and disposal services, facilities or programs against real residential property specifically benefited by the City's Solid Waste Management Services.

The City Commission establishes solid waste rates for our residents each fiscal year. Staff and our financial rate consultant, Raftelis Consulting, has analyzed in detail the solid waste utility financials.

Section 58-107 of the code requires the adoption of a final rate resolution. The preliminary rate of \$362.82 was approved per Resolution 24-136. Approval of this resolution is the second and final step in setting the annual rate assessment for residential solid waste services.

The general scope of services that is included with the annual assessment are:

- Residential curbside solid waste, recycling and yard waste collection, and the Municipal Solid Waste hauling service from the Transfer Station to Pembroke Pines.
- Collection of bulk waste items when called for pick up by residents.

- Hazardous household waste collection each month a predefined location
- Update the City of Key West’s Solid Waste Master Plan to improve our recycling rate and better manage our utility.

A comparison of current versus proposed rates is as follows:

	FY 2024 Budget (current)	Proposed FY 2025 Budget	Increase +\$2.5%
Residential Rate	\$348.87 (per year)	\$357.59 (per year)	+\$8.72/per year

**Procurement**

After the preliminary assessment notice was approved, notices were sent by mail to Key West property owners who acquired new units or adjustments. These notices informed the property owners of the public hearing for final approval to be held at the August 8, 2024, City Commission Meeting. They also included a maximum rate that could only be exceeded if approved by the Commission, and if notices were re-sent by mail to all those paying the user fee. The rates included on these notices was:

FY 2025 - \$357.59

Max Rate in future years- \$393.08

An advantage of having the solid waste fee on the property tax roll is that residents could receive a discount on their solid waste fees through early payment of property taxes.

**Recommendation**

The City Manager’s Office recommends the Mayor and City Commission approve the annual solid waste rate assessment of \$357.59 per year for Fiscal Year 2024-25.