



THE CITY OF KEY WEST

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MEMORANDUM

TO: Patti McLauchlin, City Manager

Cc: Todd Stoughton, Asst. City Manager
Kelly Crowe, Utility Director

FROM: Matt Willman, Utility Administrator

DATE: August 3, 2022

SUBJECT: Authorizing a \$332.57 Annual Solid Waste Residential Non-Ad Valorem Assessment Charge and a \$171.50 Tipping Fee for the City's Solid Waste Annual Rate Resolution for FY 2023

Action statement:

This is Solid Waste Annual Rate Resolution that 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 \$332.57 and a Tipping Fee of \$171.50.

Background:

The City Commission of Key West, Florida, has enacted Ordinance No. 13-09, which authorizes the annual re-imposition of 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 also establishes the 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.

Purpose and Justification:

In setting the FY 2023 budget, the City plans on accomplishing the following goals:

- Fund our solid waste and recycling curbside collection, and the MSW hauling service from the Transfer Station.
- Continue implementation of our the Solid Waste Master Plan to improve our City's recycling rate and better manage our utility.
- Maintain the City's landfill and successful operation of the City's Transfer Station
- Implement a long term capital reserve for rebuilding the transfer station.

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

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 16, 2022 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 2023 - \$332.57

Max Rate in future years- \$393.08

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

Options:

- 1) The City can approve a \$332.57 annual residential solid waste rate fee and a Tipping Fee of \$171.50 for FY 2023. This represents a 5% increase in both the residential rate and tipping fee.
- 2) The City can adopt any rate lower than the advertised 5% increase of \$332.57 residential rate and \$171.50 tipping fee.

Financial Impact:

The financial impact of this proposed increase would be as follows:

	FY 2022 Budget (current)	Proposed FY 2023 Budget	Increase
Residential Rate	\$316.73(per year)	\$332.57(per year)	+\$15.84/yr
Tipping Fee	\$163.33(per Ton)	\$171.50(per Ton)	+\$8.17/ton

Recommendation:

Staff recommends option #1, approving an annual rate assessment with an increase to the annual residential rate being \$332.57 annually and the Tipping Fee to \$171.50 for FY 2023.