



## THE CITY OF KEY WEST

Post Office Box 1409 Key West, FL 33041-1409 (305) 809-3700

MEMORANDUM

**TO:** Jim Scholl, City Manager

**Cc:** Greg Veliz, Asst. City Manager

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

**DATE:** August 6, 2019

**SUBJECT:** **Authorizing a \$310.52 Annual Solid Waste Residential User Fee Charge and a \$160.13 Tipping Fee for the City's Solid Waste Annual Rate Resolution for FY 2020**

### **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. It will represent an increase that will establish annual service charge at \$310.52 annually and a Tipping Fee of \$160.13.

### **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, Arcadis U.S., have analyzed in detail the solid waste utility financials.

### **Purpose and Justification:**

In setting the FY 2020 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 new Solid Waste Master Plan to improve our City's recycling rate and better manage our utility.

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

- Maintain the City's landfill and successful operation of the City's Transfer Station
- Implement reserves for disaster collection and haul out and a long term capital reserve

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 20<sup>st</sup> 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 2019 - \$311.74  
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 may choose to maintain the solid waste budget at its current level. This option is not recommended by City Staff or our consultants.
- 2) The City can approve a \$310.52 annual residential solid waste rate fee and a Tipping Fee of \$160.13 for FY 2020.

**Financial Impact:**

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

	FY 2019 Budget (current)	Proposed FY 2020 Budget	Increase
Residential Rate	\$305.63(per year)	\$310.52(per year)	+\$4.89/yr.
Tipping Fee	\$157.61(per Ton)	\$160.13(per Ton)	+\$2.52/Ton

**Recommendation:**

Staff recommends option #2, approving an annual rate assessment increasing the annual residential rate at a total of \$310.52 annually and the Tipping Fee to \$160.13 for FY 2020.