

Solid Waste Rate Study

**Public Works Department &
Kessler Consulting, Inc.**

June 15, 2022
Presentation



Background

- Oakland Park operates a Solid Waste Enterprise Fund: residential and commercial waste services
- Enterprise Fund: intended to operate in a business-like fashion and be fully supported by its rates without General Fund support
- Kessler Consulting, Inc. (KCI) performed an Operations Analysis and Rate Study in 2017:
 - Reviewed operations Analysis of the City's Solid Waste Program
 - Recommended a phased rated adjustment based on operational needs.
 - Should be reviewed every several years
- FY 2022 Business Plan Initiative: Solid Waste Rate Study to review the fund's finances and make rate recommendations based on current and projected operating and capital needs



Collection Program

Residential

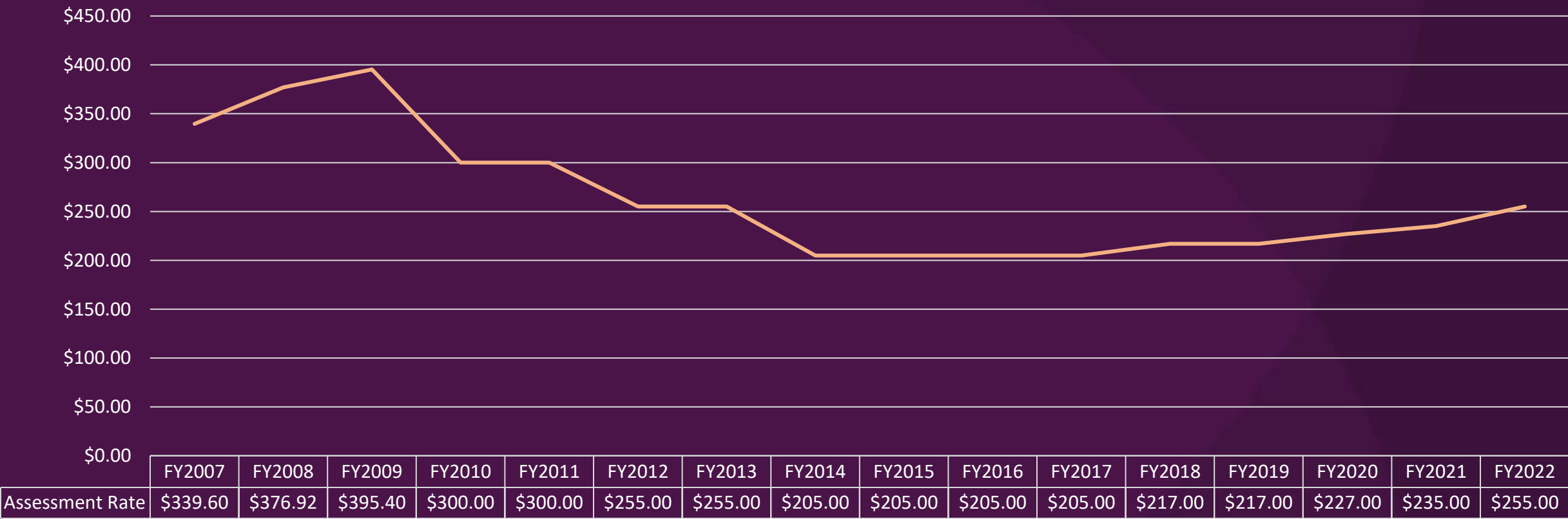
- Garbage 2x/week
 - Automated curbside service in 95-gallon carts
- Recycling 1x/week
 - Automated curbside service in 64-gallon carts
- Bulk waste 1x/month – no limit
 - Manual collection – yard waste is commingled with bulk waste
- Billed Annually through Non-Ad Valorem Special Assessment

Commercial

- Garbage 2-6x/week in carts or dumpsters
- Recycling in roll carts
- Billed Monthly through Utility Bills

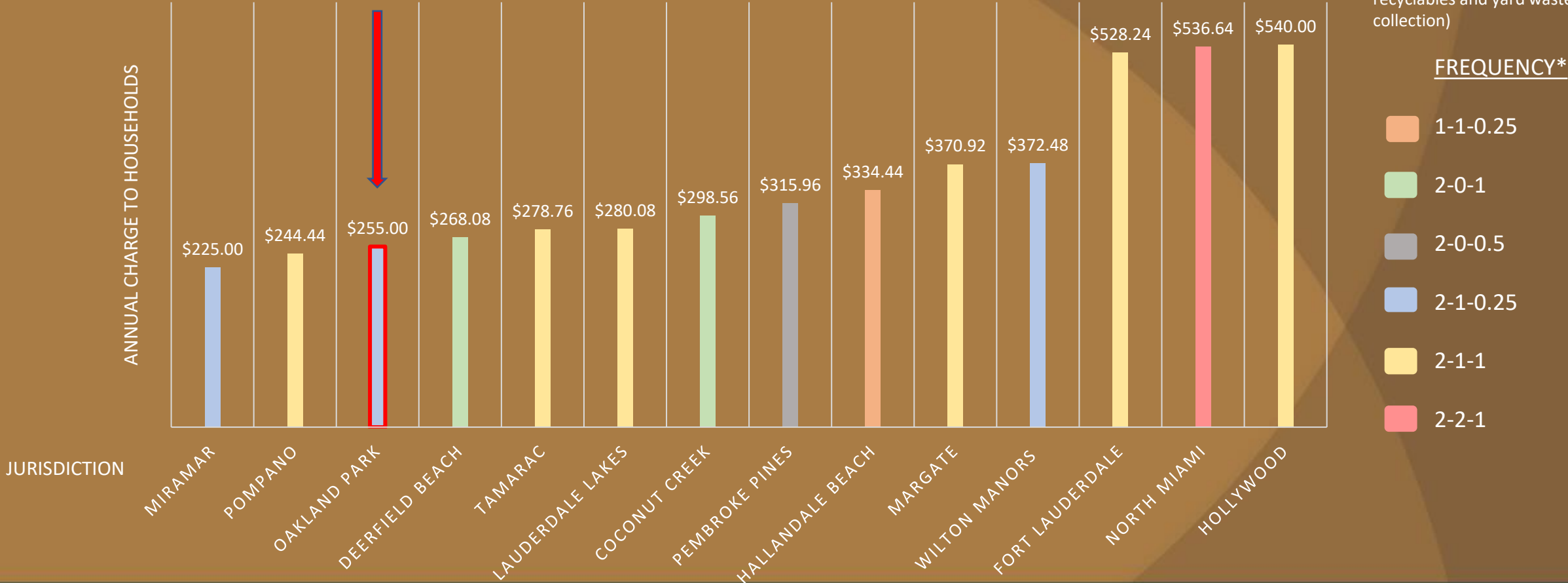


Residential Rate History



Residential Rate Comparison - Current

*Number of times garbage, recyclables, and yard waste are collected per week (e.g., 2-1-1 is twice per week garbage collection and once per week recyclables and yard waste collection)

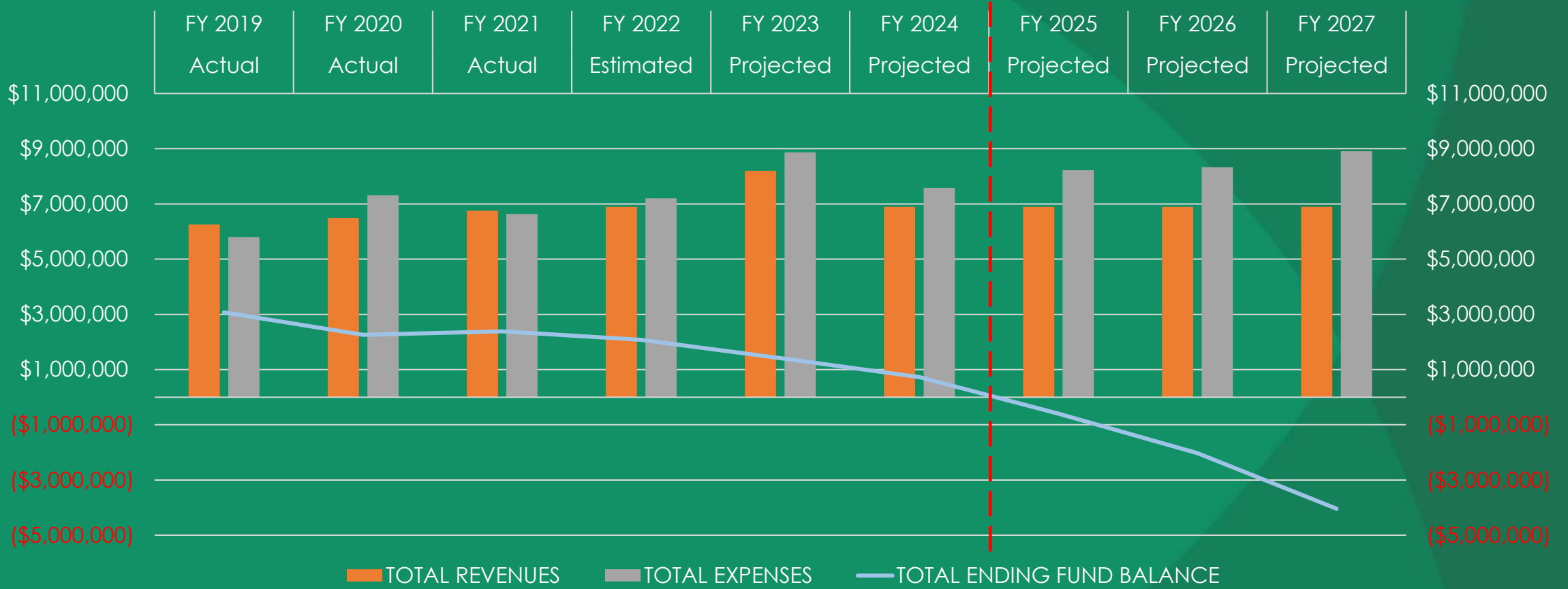


Revenue Sufficiency Analysis - Current

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Estimated	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
TOTAL BEGINNING FUND BALANCE	\$2,620,407	\$3,074,972	\$2,259,311	\$2,382,180	\$2,078,331	\$1,414,641	\$725,828	(\$596,364)	(\$2,029,248)
TOTAL REVENUES	\$6,254,192	\$6,496,675	\$6,755,910	\$6,896,841	\$8,202,022*	\$6,897,203	\$6,897,385	\$6,897,566	\$6,897,747
TOTAL EXPENSES	\$5,799,627	\$7,312,337	\$6,633,040	\$7,200,690	\$8,865,713	\$7,586,016	\$8,219,576	\$8,330,450	\$8,908,050
SURPLUS/(SHORTFALL)	\$454,565	(\$815,662)	\$122,869	(\$303,849)	(\$663,690)	(\$688,813)	(\$1,322,191)	(\$1,432,885)	(\$2,010,303)
TOTAL ENDING FUND BALANCE	\$3,074,972	\$2,259,311	\$2,382,180	\$2,078,331	\$1,414,641	\$725,828	(\$596,364)	(\$2,029,248)	(\$4,039,551)
Reserve % of Expenditures	53%	31%	36%	29%	16%	10%	-7%	-24%	-45%

* Includes Vehicle Capital Borrowing Revenue

Revenue Sufficiency Analysis - Current



Rate Change Scenario

	FY 2022 Rates	FY 2023 Rates	FY 2024 Rates	FY 2025 Rates	FY 2026 Rates	FY 2027 Rates
	Per Unit	Per Unit	Per Unit	Per Unit	Per Unit	Per Unit
Residential Collection Service (Annualized)						
Total Residential Fee	\$255.00	\$280.50	\$291.72	\$303.39	\$315.52	\$328.15
Additional Garbage Roll Cart	\$127.50	\$140.25	\$145.86	\$151.69	\$157.76	\$164.07
Commercial Collection Service (Monthly)						
Commercial Carted Garbage Service	\$30.82	\$33.90	\$35.26	\$36.67	\$38.13	\$39.66
Additional Garbage Roll Cart	\$20.12	\$22.14	\$23.02	\$23.94	\$24.90	\$25.90
Commercial Container Service (per CY)*	\$33.64	\$37.00	\$38.48	\$40.02	\$41.62	\$43.29
Percent Change from Prior Year		10%	4%	4%	4%	4%

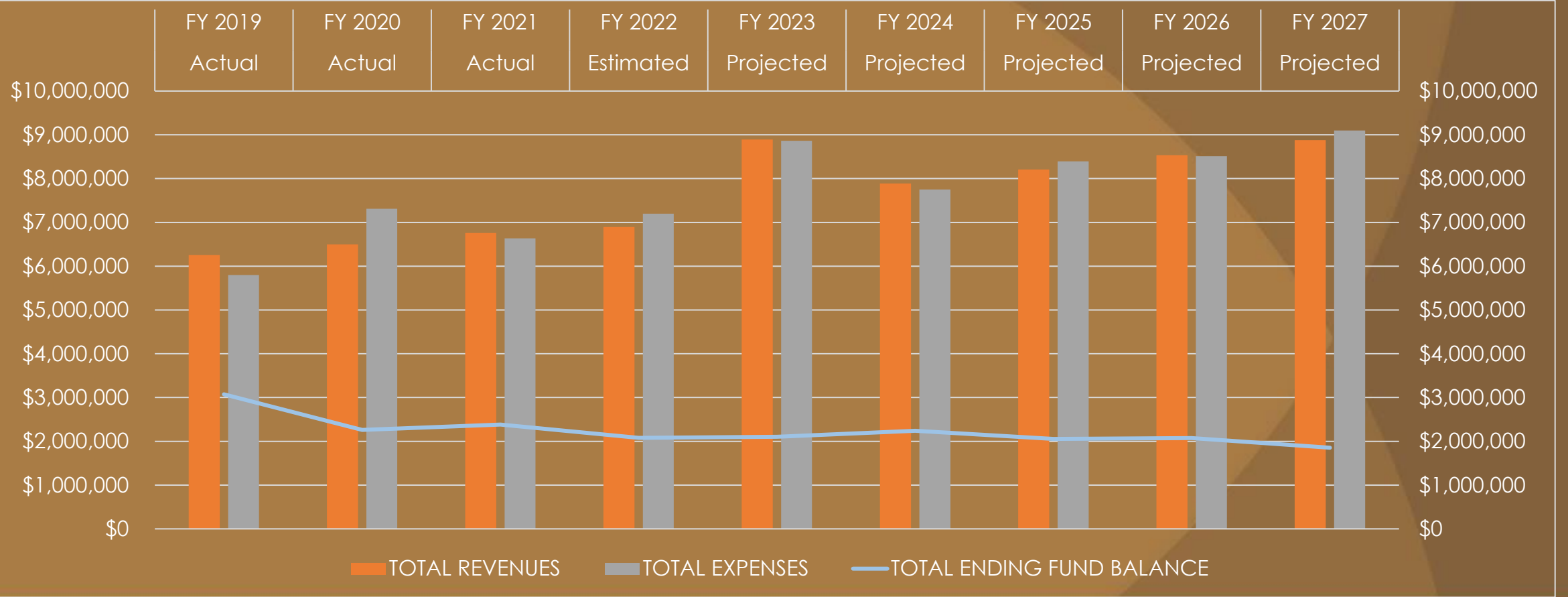
* Calculated as average cost per Cubic Yard

Revenue Sufficiency Analysis – Rate Change

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Estimated	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
TOTAL BEGINNING FUND BALANCE	\$2,620,407	\$3,074,972	\$2,259,311	\$2,382,180	\$2,078,331	\$2,104,343	\$2,240,982	\$2,052,838	\$2,074,787
TOTAL REVENUES	\$6,254,192	\$6,496,675	\$6,755,910	\$6,896,841	\$8,891,724*	\$7,890,401	\$8,206,232	\$8,534,706	\$8,876,327
TOTAL EXPENSES	\$5,799,627	\$7,312,337	\$6,633,040	\$7,200,690	\$8,865,713	\$7,753,762	\$8,394,376	\$8,512,757	\$9,098,343
SURPLUS/(SHORTFALL)	\$454,565	(\$815,662)	\$122,869	(\$303,849)	\$26,012	\$136,639	(\$188,144)	\$21,949	(\$222,015)
TOTAL ENDING FUND BALANCE	\$3,074,972	\$2,259,311	\$2,382,180	\$2,078,331	\$2,104,343	\$2,240,982	\$2,052,838	\$2,074,787	\$1,852,772
Reserve % of Expenditures	53%	31%	36%	29%	24%	29%	24%	24%	20%

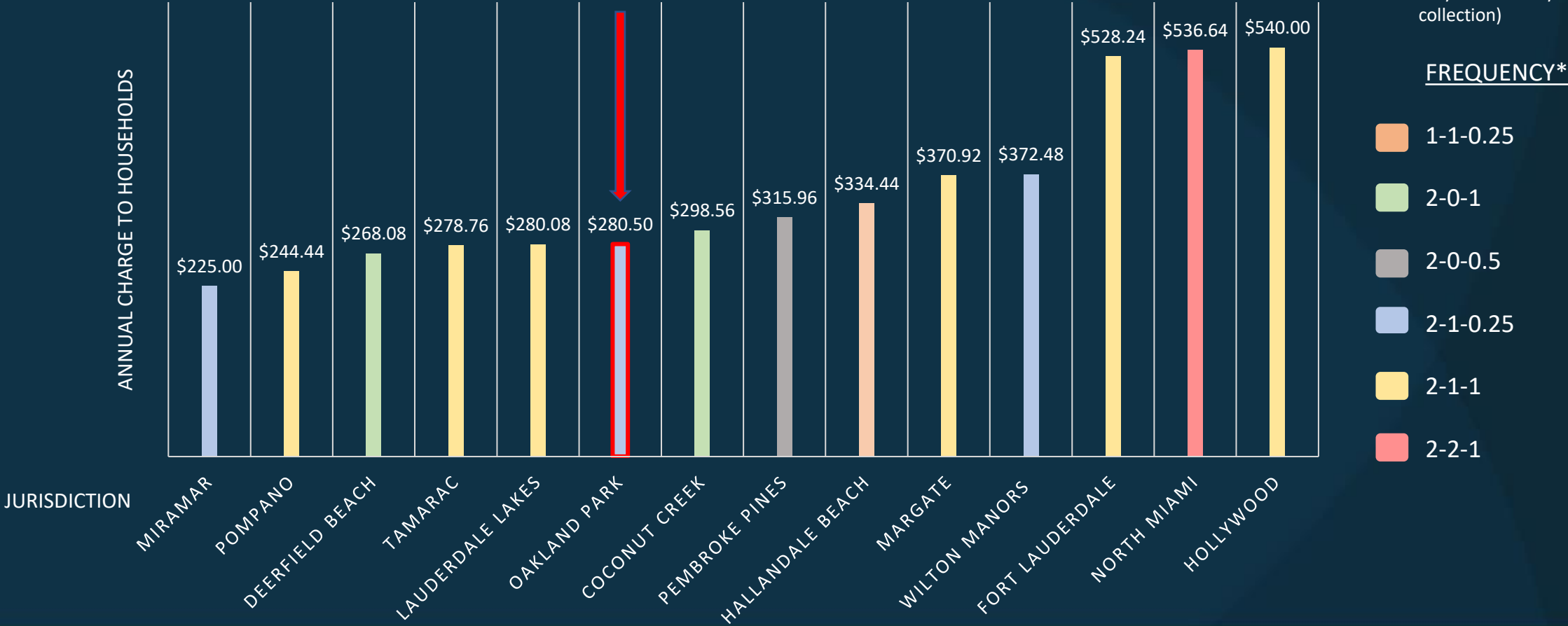
* Includes Vehicle Capital Borrowing Revenue

Revenue Sufficiency Analysis – Rate Change



New Rate Comparison – FY 2023

*Number of times garbage, recyclables, and yard waste are collected per week (e.g., 2-1-1 is twice per week garbage collection and once per week recyclables and yard waste collection)



Next Steps/Recommendations

1. Implementation of Rate Changes for next Five Years to preserve financial health of the Solid Waste Fund
2. Continue to participate in the Countywide Solid Waste Review for disposal options.
3. Conduct Rate Sufficiency reviews every 3 to 5 years.

