

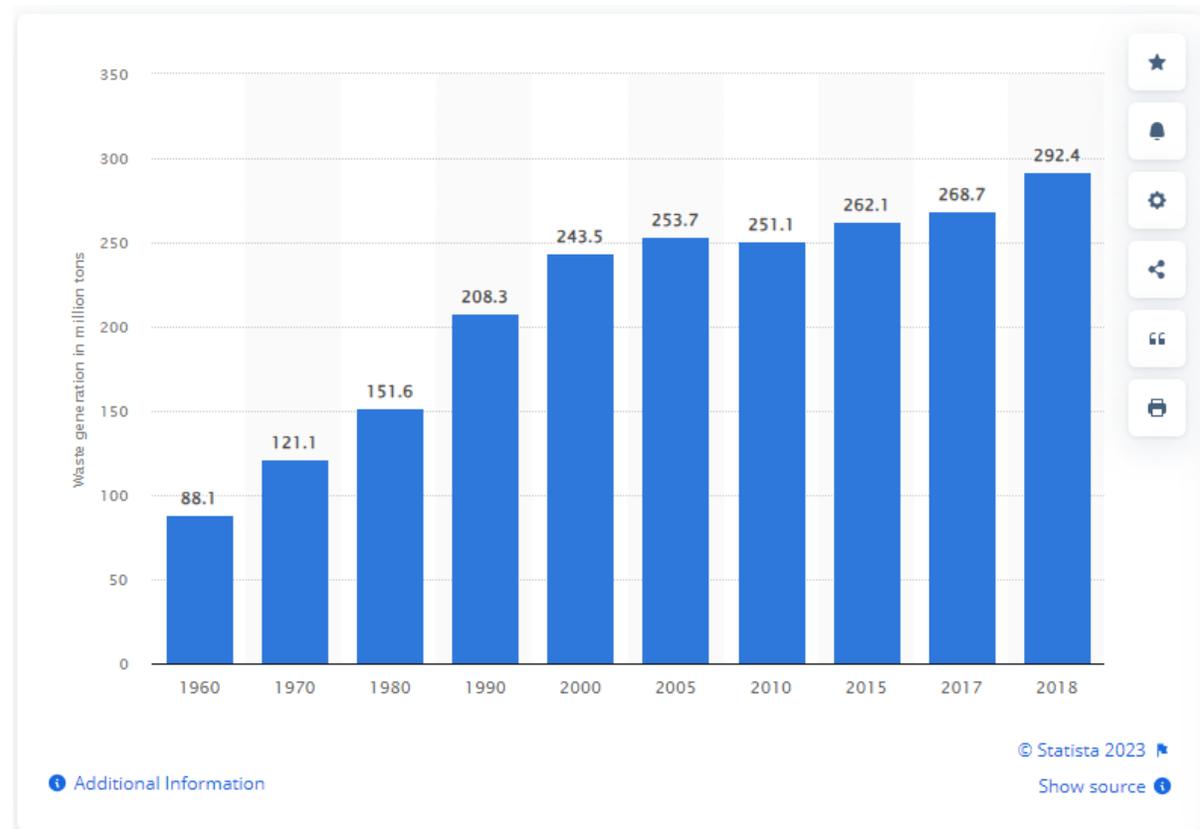
Solid Waste Fees

November 7, 2023

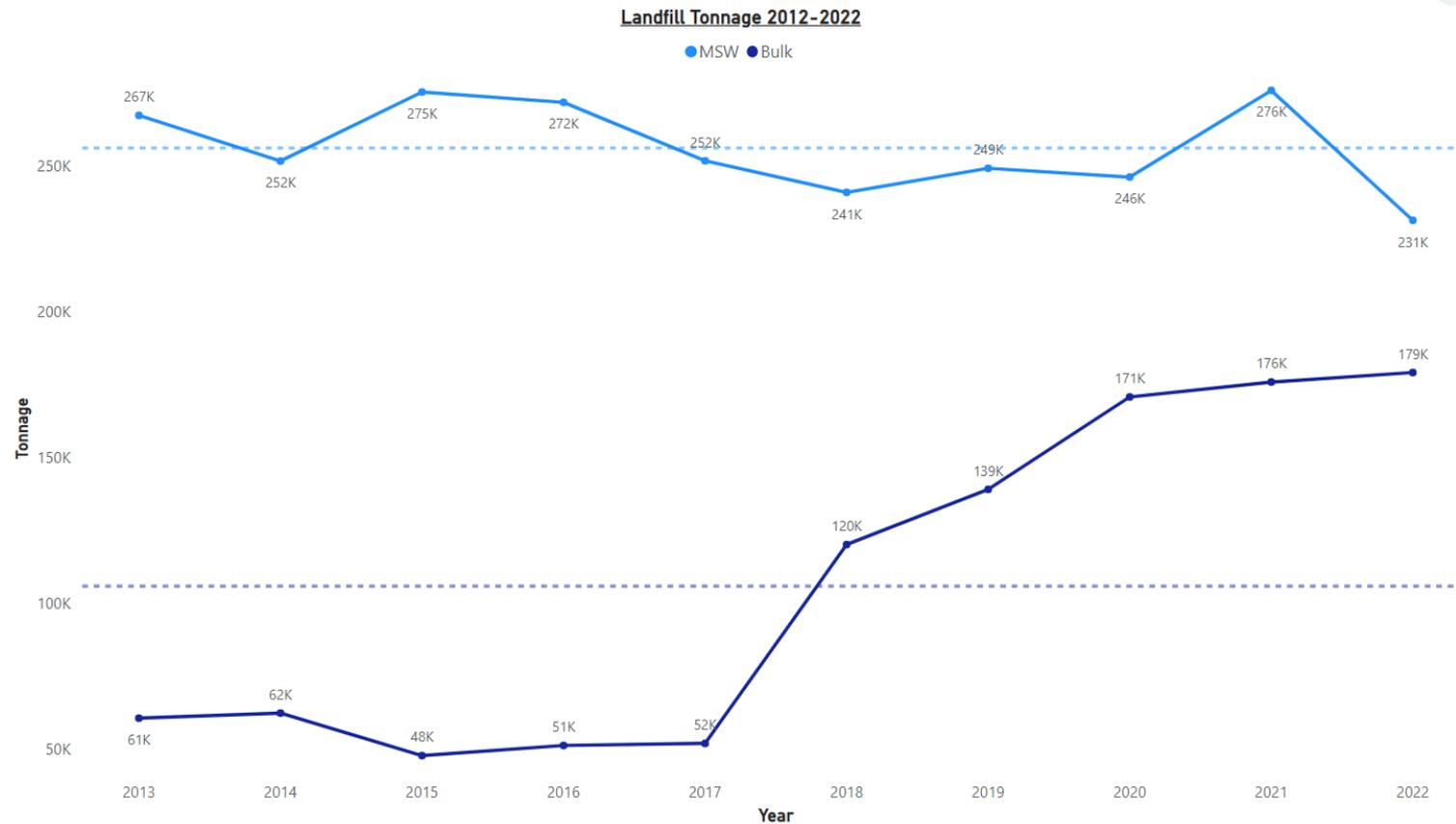
Current challenges

- Increased bulk waste volume presented at the curb
- Lack of enforcement for those abusing the system
- Increased costs for equipment, labor, services
- Speed and consistency of collection

Municipal Solid Waste Generation in the US



Increased Bulk Waste Volume



Lack of enforcement

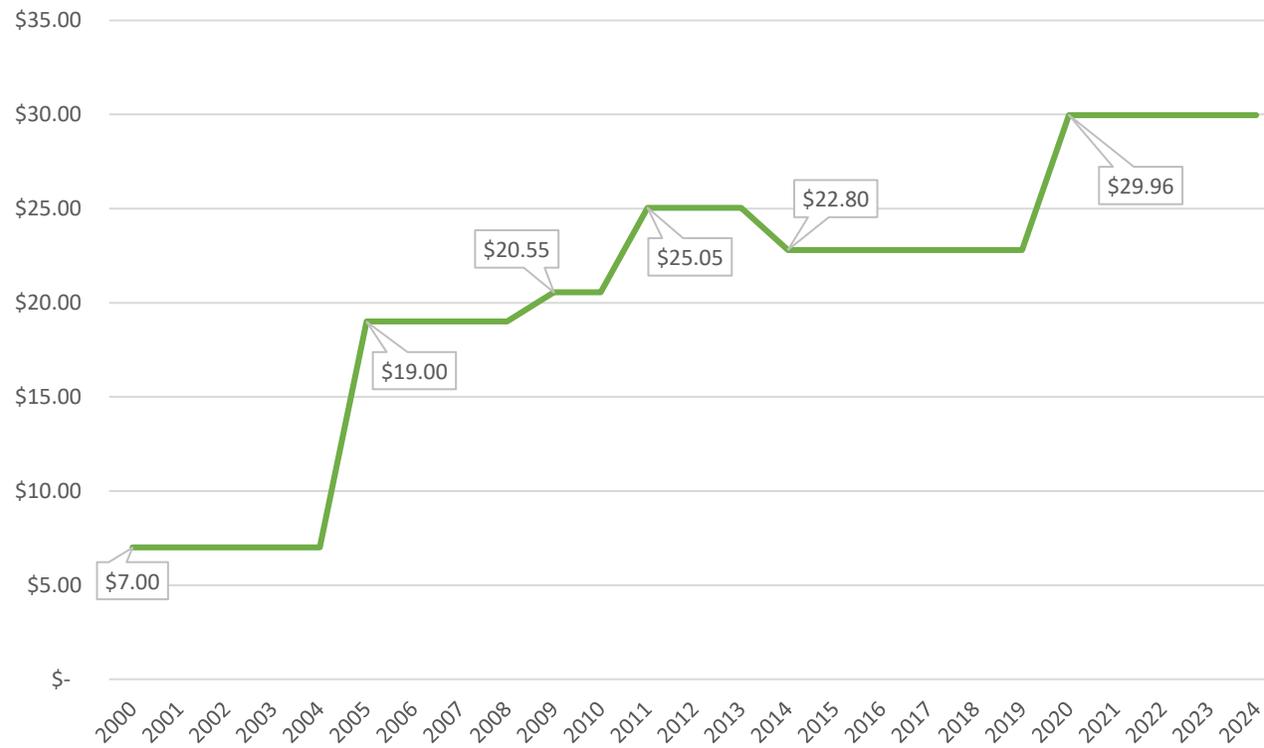


Lack of enforcement

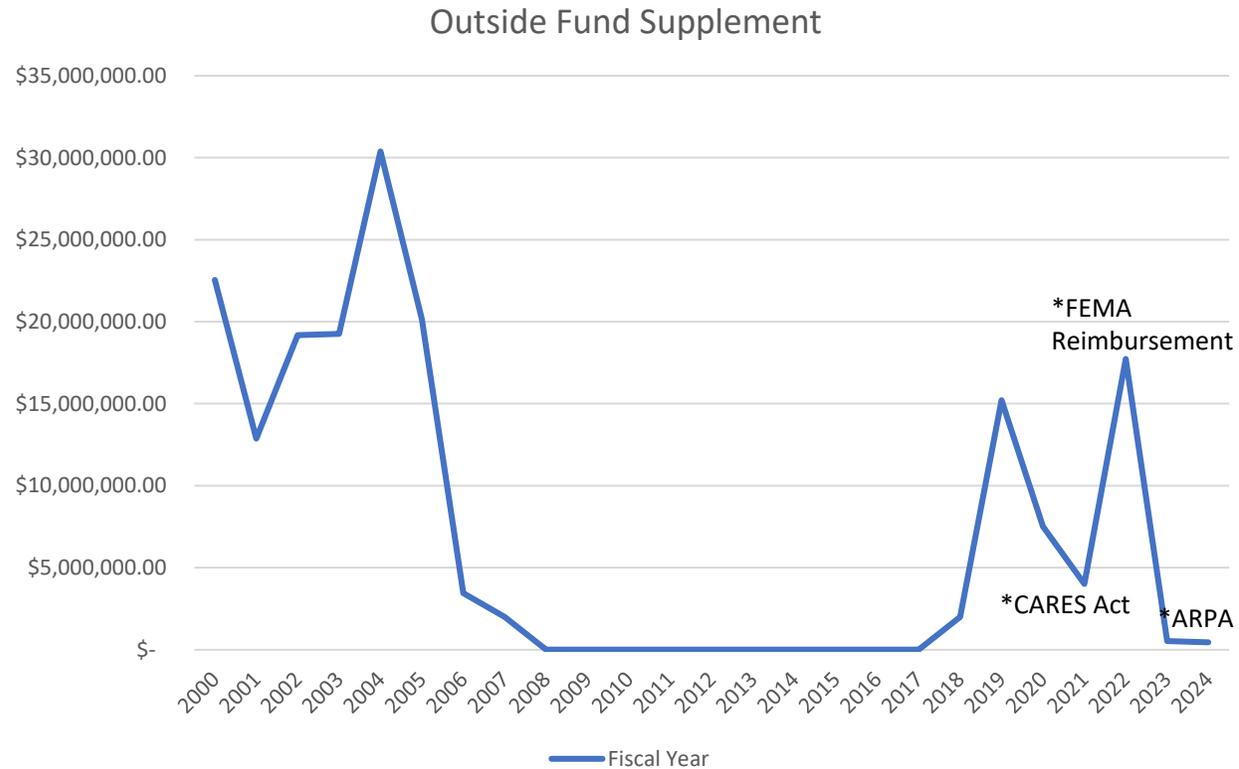


Rate History

Single Family Solid Waste Fee - Monthly



Outside Fund Supplement History



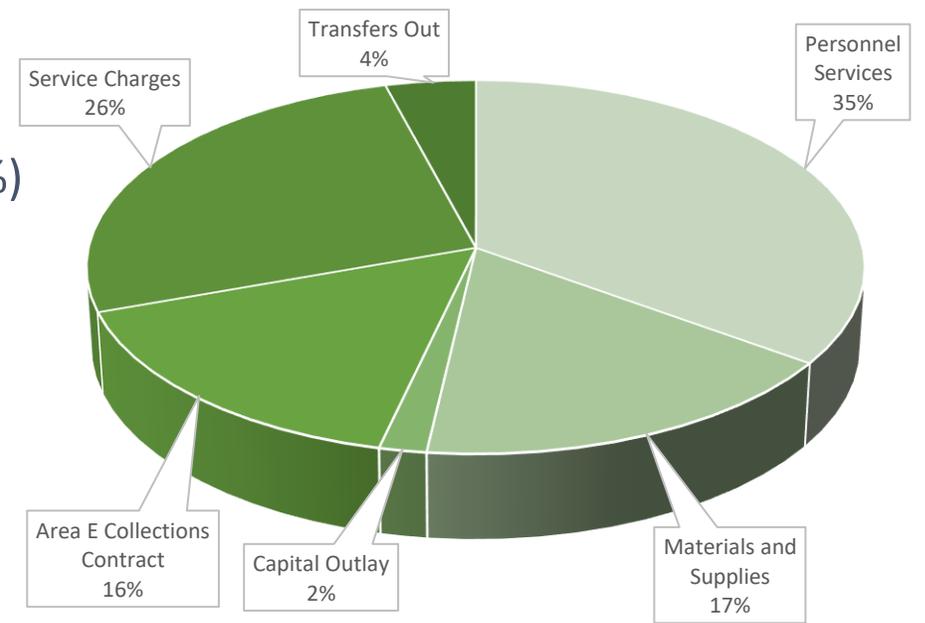
Fund Impact of No Action

Status Quo Scenario - (No Rate Increase)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Solid Waste Management Fund						
Beginning Balance	\$6,451,989	\$391,713	(\$5,306,473)	(\$11,367,092)	(\$18,661,032)	(\$27,211,024)
Sources of Funds						
Total Revenues from Rates	\$74,560,581	\$74,560,581	\$74,560,581	\$74,560,581	\$74,560,581	\$74,560,581
Contributed from Fund Balance						
Other Revenue Sources (tax, fines, etc.)	\$718,084	\$718,084	\$718,084	\$718,084	\$718,084	\$718,084
Subtotal	\$75,278,665	\$75,278,665	\$75,278,665	\$75,278,665	\$75,278,665	\$75,278,665
Uses of Funds						
O&M Expenses	\$77,944,643	\$79,378,268	\$80,589,284	\$81,822,605	\$83,078,658	\$84,357,877
Transfers out	\$3,394,298	\$1,598,583	\$750,000	\$750,000	\$750,000	\$750,000
Status Quo Subtotal	\$81,338,941	\$80,976,851	\$81,339,284	\$82,572,605	\$83,828,658	\$85,107,877
Net Cashflow	(\$6,060,276)	(\$5,698,186)	(\$6,060,619)	(\$7,293,940)	(\$8,549,993)	(\$9,829,212)
Ending Balance	\$391,713	(\$5,306,473)	(\$11,367,092)	(\$18,661,032)	(\$27,211,024)	(\$37,040,236)

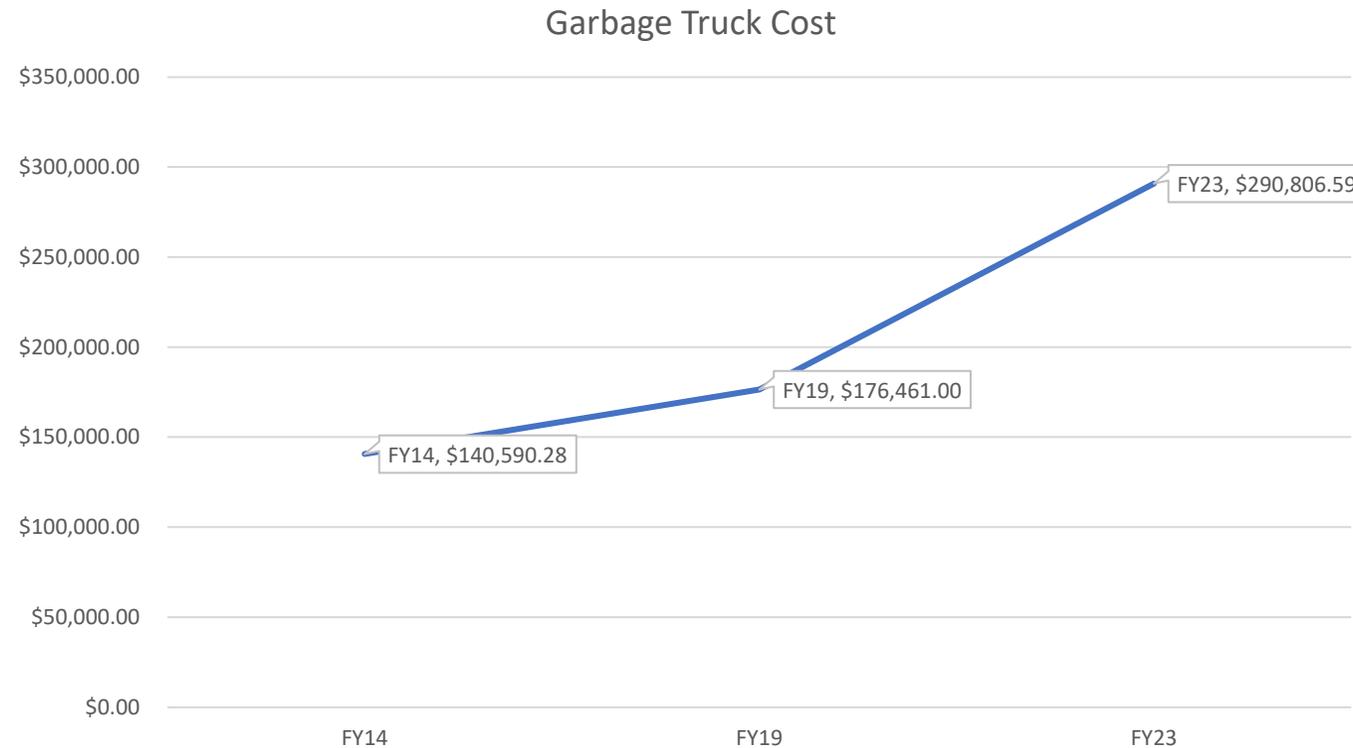
Current expenditures

- FY23
 - Expenses - \$83,350,260
 - Revenues - \$75,804,366
 - Shortfall – **(\$7,545,894)**
- Personnel Services (35%)
 - Salaries
 - Overtime
 - Benefits
- Service Charges (26%)
 - Disposal
 - Supplemental bulk waste collection
- Materials & Supplies (17%)
 - Vehicle maintenance
 - Fuel
- Contracted Collections (16%)
 - Area E
- Capital Outlay (2%)
 - Carts
- Transfers Out (4%)
 - Equipment purchase
 - Repay General Fund

FY23 Budget



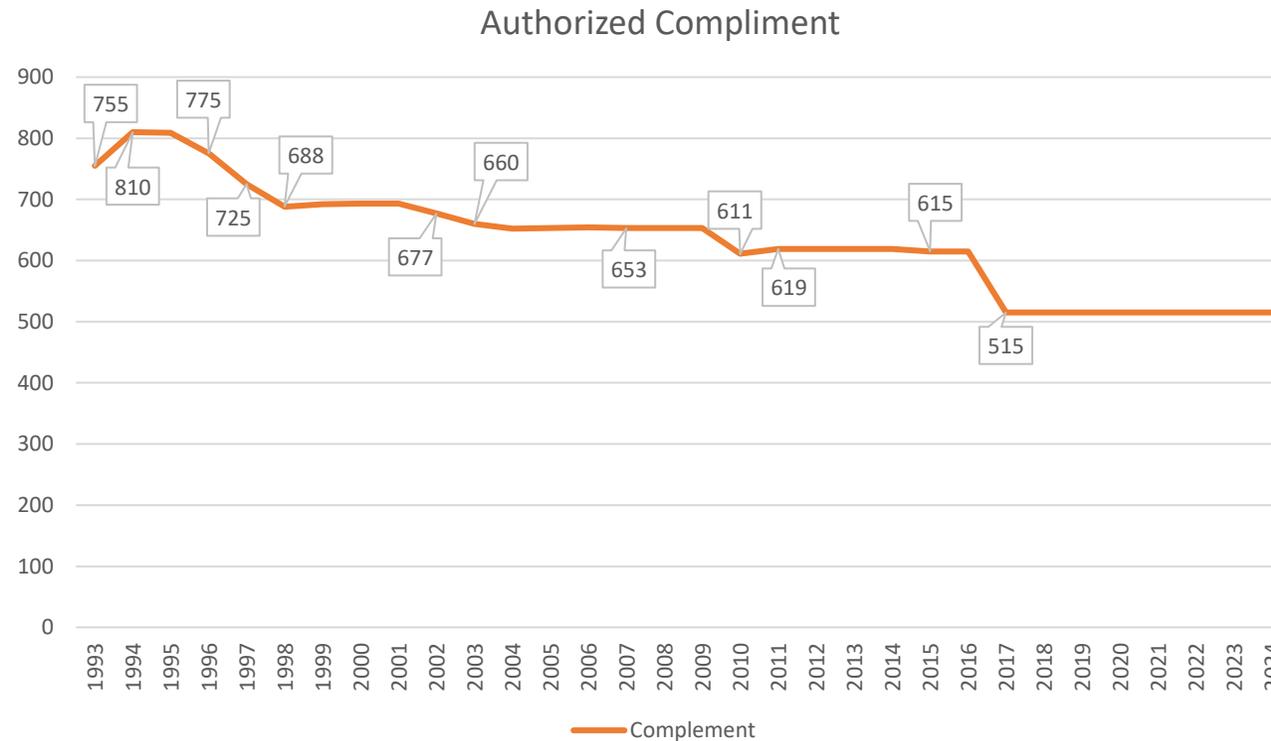
Increased cost of equipment



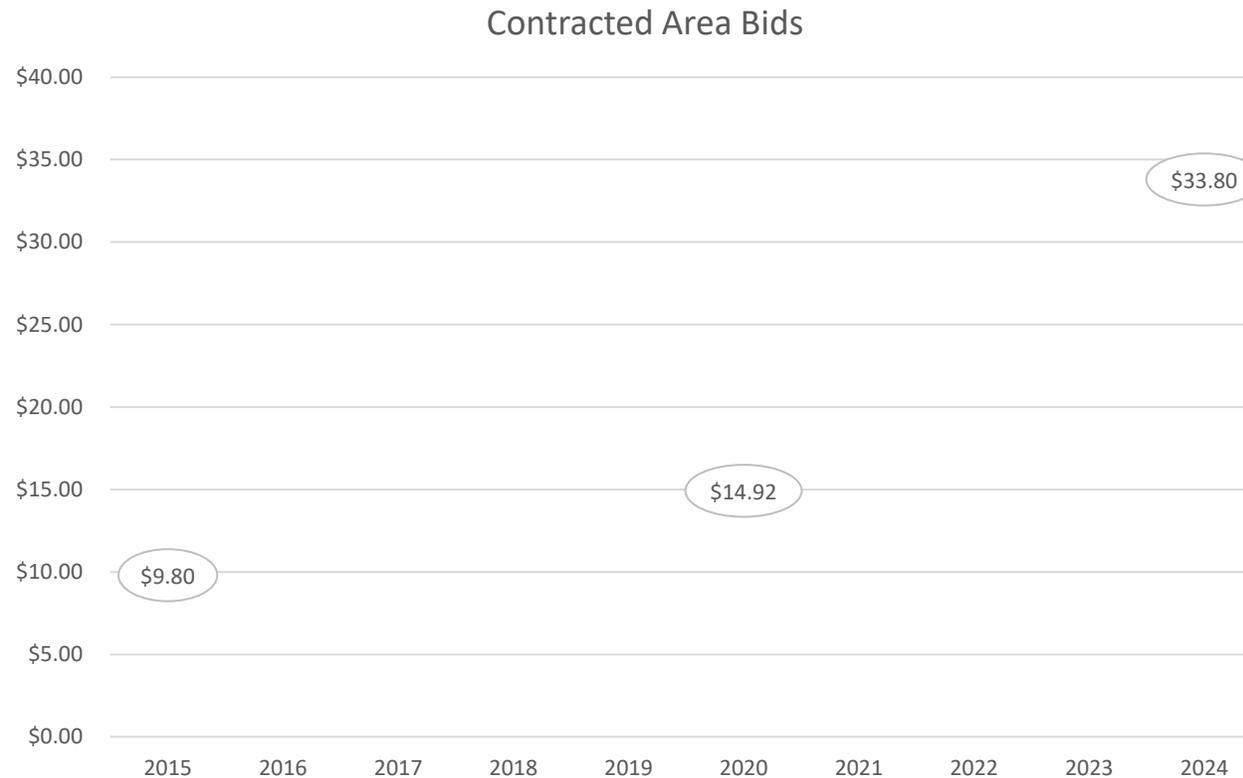
Increased cost of labor



Authorized Complement History



Increased cost of services



Option 1: Call-in bulk waste collection

- Recommended by Blight and Illegal Dumping Task Force
- On-demand bulk waste collection service
- No bulk waste collection unless a request is made to 311
- Residents would book in advance by calling or submitting online request up to 4 times per year
- Customers who fail to schedule or exceed the allowed usage will be treated as a code violation via more stringent enforcement of Solid Waste tagging process (special tax assessment billing)
- Fee effective 01/01/2024
- Service implementation 07/01/2024

Option 1: Call-in bulk waste collection

- Funding for additional drop-off location
- Funding for customer education campaign
- Addition of 20 fulltime employees for enforcement
 - 18 Environmental Enforcement Officers
 - 2 Environmental Enforcement Supervisors
- Funding to place equipment on 10-year replacement cycle
- Rehab/replace Bellevue transfer station (replacement operational 2030)
- Addition of 50 fulltime employees for collections and cart maintenance
 - 6 Crewchiefs (4 garbage, 2 recycle crews)
 - 22 Crewpersons (4 garbage, 2 recycle crews, convenience center staff)
 - 6 Tractor Trailer Drivers (bulk waste collection)
 - 8 Truck Drivers (bulk waste collection)
 - 8 Maintenance technicians (cart maintenance)
- Secure funding to fully compensate contractor
 - Contractor to convert rental equipment to owned equipment
 - Contractor to convert part-time staff to full-time
 - Adds additional supervision for contractor

Option 1: Call-in bulk waste collection

Cashflow	Call-In Bulk Waste	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Revenue		\$ 75,804,366	\$ 87,059,383	\$99,684,730	\$ 99,684,730	\$ 99,684,730	\$ 99,387,370	\$107,592,766	\$115,560,274	\$115,560,274	\$115,369,963	\$115,369,963
O&M Expenses		\$ 83,350,260	\$ 86,820,004	\$93,109,365	\$ 96,985,784	\$101,834,340	\$104,627,277	\$107,575,878	\$110,555,267	\$113,517,613	\$116,626,827	\$119,731,365
Net Cash Flow		\$ (7,545,894)	\$ 239,379	\$ 6,575,364	\$ 2,698,946	\$ (2,149,611)	\$ (5,239,908)	\$ 16,888	\$ 5,005,007	\$ 2,042,661	\$ (1,256,864)	\$ (4,361,402)
Ending Balance		\$ 6,451,989	\$ 6,691,368	\$13,266,733	\$ 15,965,679	\$ 13,816,068	\$ 8,576,160	\$ 8,593,048	\$ 13,598,055	\$ 15,640,716	\$ 14,383,852	\$ 10,022,450
Residential Rates	Rate Increase FY24	Rate Increase FY29										
Current:	Percent:	Percent:										
\$ 29.96	30%	17%										
Rate Increase (FY24):	Dollar:	Dollar:										
\$ 38.95	\$ 8.99	\$ 6.62										
Rate Increase (FY29):												
\$ 45.57												

Option 2:

Increase current model capacity with enforcement

- Continue bi-monthly bulk waste collection service
- More stringent enforcement of Solid Waste tagging process (special tax assessment billing)
- Fee effective 01/01/2024
- Service implementation 07/01/2024

Option 2:

Increase current model capacity with enforcement

- Funding for additional drop-off location
- Addition of 20 fulltime employees for enforcement
 - 18 Environmental Enforcement Officers
 - 2 Environmental Enforcement Supervisors
- Addition of 92 fulltime employees for collections and cart maintenance
 - 6 Crewchiefs (4 garbage, 2 recycle crews)
 - 22 Crewpersons (4 garbage, 2 recycle crews, convenience center staff)
 - 6 Tractor Trailer Drivers (bulk waste collection)
 - 38 Truck Drivers (bulk waste collection)
 - 12 Special Equipment Operator IIs (bulk waste collection)
 - 8 Maintenance technicians (cart maintenance)
- Secure funding to fully compensate contractor
 - Contractor to convert rental equipment to owned equipment
 - Contractor to convert part-time staff to full-time
 - Adds additional supervision for contractor
 - Adds enforcement officers dedicated to contracted area
- Funding to place equipment on 10-year replacement cycle
- Rehab/replace Bellevue transfer station (replacement operational 2030)

Option 2:

Increase current model capacity with enforcement

Cashflow	Increased Enforcement	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Revenue		\$ 75,804,366	\$ 89,658,377	\$ 104,882,718	\$ 104,882,718	\$ 104,882,718	\$ 104,585,358	\$ 112,723,923	\$ 120,624,599	\$ 120,624,599	\$ 120,434,289	\$ 120,434,289
O&M Expenses		\$ 83,350,260	\$ 86,920,004	\$ 94,112,642	\$ 101,717,271	\$ 107,567,418	\$ 110,552,986	\$ 113,769,586	\$ 117,021,528	\$ 120,219,840	\$ 123,597,468	\$ 126,918,100
Net Cash Flow		\$ (7,545,894)	\$ 2,738,373	\$ 10,770,076	\$ 3,165,447	\$ (2,684,700)	\$ (5,967,628)	\$ (1,045,664)	\$ 3,603,071	\$ 404,759	\$ (3,163,179)	\$ (6,483,811)
Ending Balance		\$ 6,451,989	\$ 9,190,363	\$ 19,960,439	\$ 23,125,885	\$ 20,441,185	\$ 14,473,557	\$ 13,427,893	\$ 17,030,965	\$ 17,435,724	\$ 14,272,545	\$ 7,788,733
Residential Rates	Rate Increase FY24	Rate Increase FY29										
Current:	Percent:	Percent:										
\$ 29.96	37%	16%										
Rate Increase (FY24):	Dollar:	Dollar:										
\$ 41.05	\$ 11.09	\$ 6.57										
Rate Increase (FY29):												
\$ 47.61												

Option 3: In-house collections for Area E

- Funding for additional drop-off location
- Funding to place equipment on 10-year replacement cycle
- Rehab/replace Bellevue transfer station (replacement operational 2030)
- Construct Area E Solid Waste Complex
- Fee effective Date: 01/01/2024
- Service Implementation: 07/01/2029

Option 3: In-house collections for Area E

- Addition of 92 fulltime employees for Citywide collections and cart maintenance
 - 6 Crewchiefs (4 garbage, 2 recycle crews)
 - 22 Crewpersons (4 garbage, 2 recycle crews, convenience center staff)
 - 6 Tractor Trailer Drivers (bulk waste collection)
 - 38 Truck Drivers (bulk waste collection)
 - 12 Special Equipment Operator IIs (bulk waste collection)
 - 8 Maintenance technicians (cart maintenance)
 - 18 Environmental Enforcement Officers (tagging)
 - 2 Environmental Enforcement Supervisors (tagging)
- Addition of 151 fulltime employees for Area E collections
 - 34 Crewchiefs (22 garbage, 12 recycle crews)
 - 54 Crewpersons (22 garbage, 12 recycle crews, convenience center staff)
 - 2 Tractor Trailer Drivers (bulk waste collection)
 - 25 Truck Drivers (bulk waste collection)
 - 9 Special Equipment Operator IIs (bulk waste collection)
 - 2 Heavy Equipment Operators
 - 1 Heavy Equipment Supervisor
 - 1 Collection Manager
 - 3 Collection Supervisors

Option 3: In-House collections for Area E

- Identify, design, and construct Area E Solid Waste Complex – 5 years to complete
 - Do not have capacity to house employees and equipment at existing facilities
 - Identifying location for solid waste facility in Area E will be difficult
 - Uncertainty in land price and availability
- Hiring of necessary employees – +1 year to complete
 - Current volatility in labor market makes modeling fee difficult
 - Competing with the private sector for drivers may result in wage increases for all employees
- Requires General Services to outfit and staff Area E shop – startup cost not included in rate model
- Requires issuing 5-year contract in FY24 to service Area E - vendor would know up front there is no renewal
- Operate under Option 2 “Increased Capacity” model through FY29
- Plan for additional fee increase once facility, personnel, and equipment is realized

Option 3: In-house collections for Area E

Cashflow	In-House	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Revenue		\$ 75,804,366	\$ 93,371,226	\$ 112,308,416	\$ 112,308,416	\$ 112,308,416	\$ 112,011,056	\$ 118,560,521	\$ 124,872,098	\$ 124,872,098	\$ 124,681,788	\$ 124,681,788
O&M Expenses		\$ 83,350,260	\$ 86,920,004	\$ 98,037,819	\$ 109,633,359	\$ 123,100,712	\$ 119,003,905	\$ 119,308,928	\$ 116,692,610	\$ 120,058,018	\$ 123,417,752	\$ 126,996,877
Net Cash Flow		\$ (7,545,894)	\$ 6,451,222	\$ 14,270,597	\$ 2,675,056	\$ (10,792,296)	\$ (6,992,850)	\$ (748,407)	\$ 8,179,488	\$ 4,814,081	\$ 1,264,036	\$ (2,315,089)
Ending Balance		\$ 6,451,989	\$ 12,903,211	\$ 27,173,808	\$ 29,848,865	\$ 19,056,569	\$ 12,063,719	\$ 11,315,312	\$ 19,494,800	\$ 24,308,881	\$ 25,572,917	\$ 23,257,829
Residential Rates	Rate Increase FY24	Rate Increase FY29										
Current:	Percent:	Percent:										
\$ 29.96	47%	12%										
Rate Increase (FY24):	Dollar:	Dollar:										
\$ 44.04	\$ 14.08	\$ 5.28										
Rate Increase (FY29):												
\$ 49.33												