



Sustainable Refuse Rates – Strategic Visioning

2013 Case Study



Tasks Performed

- HF&H allocated costs into specific lines of business
 - Residential
 - Refuse Collection
 - Recyclables Collection
 - Organics Collection
 - Commercial
 - Refuse Collection
 - Recyclables Collection
 - Organics Collection
 - Roll-off Collection



Tasks Performed

- Transfer Station
- Other Services
 - Streets & Sanitation
 - Litter Collection
- Extensive analysis of current and projected revenues



Summary of Revenues & Expenditures – Collection Operations

| | Residential Collection | | | | |
|---|------------------------|---------------|---------------|------------|---------------|
| | Refuse | Recycling | Organics | Other | Total |
| REVENUE | | | | | |
| Rate Revenue (current subscriptions levels @ current rates) | \$12,564,000 | \$0 | \$6,000 | \$142,000 | \$12,712,000 |
| Commodity Revenue | 0 | 196,000 | 0 | 0 | 196,000 |
| Estimated Migration (5%) due to rate increase | (309,000) | 0 | 0 | 0 | (309,000) |
| Franchise Fee Allocation | 348,000 | 0 | 0 | 0 | 348,000 |
| Transfer Station | | | | | |
| City Collected Revenue | 0 | 0 | 0 | 0 | 0 |
| Gate Revenue | 0 | 0 | 0 | 0 | 0 |
| TOTAL REVENUE | 12,603,000 | 196,000 | 6,000 | 142,000 | 12,947,000 |
| EXPENDITURES | | | | | |
| Operating Costs including Allocated Department Costs | 5,844,299 | 4,161,771 | 3,149,815 | 208,000 | 13,363,885 |
| Additional Plastics Collection Program | 0 | 128,000 | 0 | 0 | 128,000 |
| 1.7% Commission on Tax Roll Revenue | 119,000 | 0 | 0 | 0 | 119,000 |
| Allocation of: | | | | | |
| Streets & Sanitation | 465,000 | 0 | 0 | 0 | 465,000 |
| Litter Collection | 0 | 0 | 0 | 0 | 0 |
| Transfer/Transport/Disposal/Processing Costs | 1,111,000 | 0 | 778,000 | 0 | 1,889,000 |
| Capital | 123,000 | 0 | 0 | 0 | 123,000 |
| TOTAL EXPENDITURES | 7,662,299 | 4,289,771 | 3,927,815 | 208,000 | 16,087,885 |
| NET REVENUE SURPLUS (SHORTFALL) | \$4,940,701 | (\$4,093,771) | (\$3,921,815) | (\$66,000) | (\$3,140,885) |

Managing Tomorrow's Resources Today

PROJECTED RATE INCREASE 24.71%



Summary of Revenues & Expenditures – Collection Operations

| | Commercial Collection | | | | | Total |
|---|-----------------------|---------------|-------------|-------------|------------|--------------|
| | Refuse | Recycling | Organics | Roll-off | Other | |
| REVENUE | | | | | | |
| Rate Revenue (current subscriptions levels @ current rates) | \$10,898,000 | \$6,000 | \$1,421,000 | \$1,106,000 | \$0 | \$13,431,000 |
| Commodity Revenue | 0 | 49,000 | 0 | 0 | 0 | 49,000 |
| Estimated Migration (5%) due to rate increase | 0 | 0 | 0 | 0 | 0 | 0 |
| Franchise Fee Allocation | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfer Station | | | | | | |
| City Collected Revenue | 0 | 0 | 0 | 0 | 0 | 0 |
| Gate Revenue | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL REVENUE | 10,898,000 | 55,000 | 1,421,000 | 1,106,000 | 0 | 13,480,000 |
| EXPENDITURES | | | | | | |
| Operating Costs including Allocated Department Costs | 3,714,000 | 1,976,000 | 951,000 | 708,000 | 10,000 | 7,359,000 |
| Stopwaste Phase 2 Recycling Costs | 0 | 0 | 775,000 | 0 | 0 | 775,000 |
| Additional Plastics Collection Program | 0 | 41,000 | 0 | 0 | 0 | 41,000 |
| Allocation of: | | | | | | |
| Streets & Sanitation | 2,255,000 | 0 | 0 | 0 | 0 | 2,255,000 |
| Litter Collection | 330,000 | 0 | 0 | 0 | 0 | 330,000 |
| Transfer/Transport/Disposal/Processing Costs | 1,475,000 | 0 | 590,000 | 777,000 | 0 | 2,842,000 |
| Capital | 163,000 | 0 | 0 | 52,000 | 0 | 215,000 |
| TOTAL EXPENDITURES | 7,937,000 | 2,017,000 | 2,316,000 | 1,537,000 | 10,000 | 13,817,000 |
| NET REVENUE SURPLUS (SHORTFALL) | \$2,961,000 | (\$1,962,000) | (\$895,000) | (\$431,000) | (\$10,000) | (\$337,000) |

PROJECTED RATE INCREASE **2.51%**

Managing Tomorrow's Resources Today



Current Residential Rate Structure

| Service Levels Serviced 1 time per Week | | | Total Service Volume | | Current Rate | |
|--|------------------|-----------------|--|--------|-------------------------------------|--------|
| <u>Refuse</u> | <u>Recycling</u> | <u>Organics</u> | % of 224 Gals (i.e., 96-gal refuse) | | % of \$88.78 (i.e., 96-gal rate) | |
| 10 Gal | 64 Gal | 64 Gal | 138 Gals | 61.6% | \$ 9.28 | 10.5% |
| 20 Gal | 64 Gal | 64 Gal | 148 Gals | 66.1% | \$18.52 | 20.9% |
| 32 Gal | 64 Gal | 64 Gal | 160 Gals | 71.4% | \$29.62 | 33.4% |
| 64 Gal | 64 Gal | 64 Gal | 192 Gals | 85.7% | \$59.21 | 66.7% |
| 96 Gal | 64 Gal | 64 Gal | 224 Gals | 100.0% | \$88.78 | 100.0% |

