

TO: Councilor Gardiner and Members of Council

FROM: Dustin Anderson, Town Manager

SUBJECT: Solid Waste Fee - Ordinance 1927

DATE: November 20, 2023

Background

The Town charges residents a solid waste fee monthly via the water bill. This fee covers the cost of municipal solid waste and curbside recycling collection and disposal through Homewood Disposal Services (HDS) as well as for leaf and branch collection (which is an in-house service by Public Works) throughout the year.

The current rate of \$26.25 per residential customer per month was made effective May 1, 2022.

Historically, maintenance costs associated with ongoing landfill maintenance, regulatory compliance, and gas recovery operations have – while associated with solid waste operations – been funded by other appropriate reserve funds and fund balances on hand for that purpose.

If we did not have a generator, we would still have to maintain a wellfield to manage the methane produced as a function of organic waste decomposing.

These reserve funds and fund balances have been expended, necessitating a reassessment of the solid waste fee.

Staff monitors these costs as well as the cost of providing leaf and branch collection. This is done annually so that we can be reasonably sure that residents are neither over- nor under-charged.

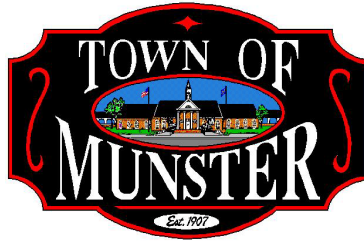
Methodology

Calculating our annual solid waste related cost of operations and comparing it against the revenue generated by the current \$26.25 monthly solid waste fee, reveals a projected shortfall in annual revenue of \$293,981.59. By spreading this shortfall across all 7,879 residents, it equates to \$37.31 per year per household or \$3.11 per month per household. This would be the required increase to prevent such a shortfall. The new solid waste fee would become \$29.36 per residential customer per month, which is a 12% increase.

Calculations

Annual Revenue

Solid waste fee of \$29.36 x 7,879 households = \$231,322.22 per month x 12 months = \$2,775,866.59.



Cost of Operations

Refuse Disposal Expenses		
2024 HDS Contract		\$1,961,871
Leaf		
	Labor	\$75,800
	Equipment	\$84,000
	Fuel	\$4,661
	Subtotal	\$164,461
Branch		
	Labor	\$112,297
	Equipment	\$129,360
	Fuel	\$41,478
	Subtotal	\$283,135
Disposal		
		\$146,954
Landfill Continuous Management		\$219,446
Expense		\$2,775,867

The last time the Solid Waste Fee was adjusted was in May of 2022. At that time, the rate accommodated the costs of branch and leaf pick up as well as the new Homewood Disposal Rate of \$19.96 per household.

Homewood Disposal's (HDS) contract cost increased by 4% effective May 1, 2023, and will increase again in May of 2024 and 2025.

Future Considerations

In the subsequent reviews of this rate, the Town shall investigate and quantify how it recovers its leaf collection costs from commercial, institutional, non-profit, and multi-family properties that are not currently charged for leaf collection as a part of their utility bill.

If approved, new solid waste rates will be made effective for the bills due on March 20, 2024.

Recommendation

By motion and roll-call vote to approve Ordinance # 1927 AN ORDINANCE AMENDING SCHEDULE "A" FOR REFUSE DISPOSAL on second reading.