



SOLID WASTE COST OF SERVICE STUDY

NOVEMBER 19, 2022

PREPARED BY



**SOLID WASTE CONSULTANTS
TO LOCAL GOVERNMENT**

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1. EXECUTIVE SUMMARY

The City generates revenue to pay for its solid waste collection service costs through rates charged to its residential customers. The City separately records its revenues and expenses for its solid waste operations in the solid waste enterprise fund. The solid waste enterprise fund maintains a cash balance to fund its ongoing operations. The revenues of the solid waste enterprise fund are intended to fully cover the City's current and future solid waste operating and capital costs, and maintain its cash balance. Although the City's operating costs have increased due to inflation, and other significant factors, the City has not increased the solid waste rates it charges to its customers since 2010.

Significant Factors Driving Cost Increases

China Ban on Recyclables

At the beginning of 2018, China reduced the level of acceptable contamination in the recyclable material it received, and limited the type of recyclable materials it would accept. As a result, the worldwide market value of recyclables decreased significantly, reducing the revenue that solid waste service providers (including the City) previously used to offset their operating costs. This market disruption continues to create upward pressure on the City's operating costs.

Commercial Franchising

The City recently implemented significant changes to the solid waste collection services it provides in the City. In December 2021, the City implemented a franchise system for businesses, and for large multi-family complexes with five (5) or more units. Under the franchise system, four (4) private haulers now provide exclusive collection service in four (4) separate geographic areas of the City. The City is now only responsible to collect waste and recyclables from single-family customers, and from small multi-family customers with two (2) to four (4) dwelling units.

In previous years, rates for residential collection services have not been set at a rate to fully recover costs associated with those services. Furthermore, the rates for residential and multi-family of 2-4 units have not changed since 2010. The reduction in the City's overall solid waste customer base brought about by franchising the business and large multi-family customer sectors has resulted in the City having fewer customers over which it is able to allocate its fixed costs. This has resulted in additional upward pressure on the cost per unit for the remaining residential customers.

SB 1383

In addition to the significant change brought about by the franchising of the commercial waste sector, the City is in the midst of complying with the most sweeping changes to State solid waste regulations in the last thirty years. SB 1383 establishes statewide methane reduction targets, and is bringing about several fundamental changes to municipal solid waste management.

Under SB 1383, all local jurisdictions must arrange for the collection of organics, ensure that edible food is recovered, conduct education and outreach, purchase a certain amount of organic content products, secure access to organic processing capacity, and conduct extensive monitoring, compliance and enforcement activities. As a result, solid waste rates throughout the State are increasing significantly.

Closure of Scholl Canyon Landfill

The Scholl Canyon Landfill is expected to permanently close around December 2025. After the landfill closes, the City's trucks will be required to travel farther to empty their loads, and may be required to use a disposal facility with a higher tipping fee. As a result, the City expects it will be required to purchase two additional route vehicles, and incur additional operating costs to use a more distant landfill. These expected additional operating costs will create additional upward pressure on the City's solid waste rates.

Industry Trends

Additionally, there are several current trends in the solid waste industry that are creating extraordinary cost increases. These trends include shortages of refuse truck drivers, supply chain delays in the purchase of trucks, and increased costs for raw materials such as steel used to manufacture trucks and containers.

Required Rate Adjustments

Operating Cash

As a result of the impact of these industry trends, the China Ban, the cost of complying with SB 1383, and the divestiture of its business and large multi-family operations, the revenue and cost structure of the City's solid waste enterprise fund has changed significantly. To meet the current and future financial obligations of the solid waste enterprise fund, the City must increase the rates it charges to its single family and small multi-family residential customers. If the City does not increase current collection rates, and rates remain at their current levels, the cash balance in the enterprise fund will be completely depleted in early FY 2024 (July to September 2023).

Collection Rates

To fully fund the City's solid waste operations over the next five years, the City's collection rates must be increased *on average* by approximately 85% on February 1, 2023, followed by annual increases of 25% and 25% in July of 2023, and July 2024, respectively. In July 2025, 2026 and 2027, collection rates will need to be increased by 8% each year.

In addition, the City's rates, which have not increased since 2010, do not accurately reflect the City's current cost of service. As a result, the initial rate adjustment on February 1, 2023, will restructure the rate schedule to ensure that the rates more accurately reflect the City's actual cost of service. As a result, not all customers will receive the same initial rate adjustment. For example, as shown in Table 1 on page 4, single-family residential customers with a 64-gallon container will initially receive a 137% increase. However, single-family customers with a 96-gallon container will initially receive a 73% increase. After the rates are restructured in February 2023, customer rates will be adjusted across the board by the same percent each year on July 1st. Table 1 on page 4 shows the current and proposed rates for customers with most common levels of service. The City is seeking approval of these rates for the next five years.

Although the City's rates need to be significantly increased, the same trends that are creating upward pressure on the City's rates are also impacting all other jurisdictions in California. Even after the City's rates are adjusted, they are expected to be reasonable in relation to rates for similar solid waste collection service in other jurisdictions. A comparison of the City's single-family rate to those in other jurisdictions is shown in Chart 1 on page 5.

Proposition 218

The City's collection rates are subject to Article XIII D, Section 6 of the California Constitution (Proposition 218). When setting property-related user fees (such as solid waste collection rates), local jurisdictions must satisfy the following requirements:

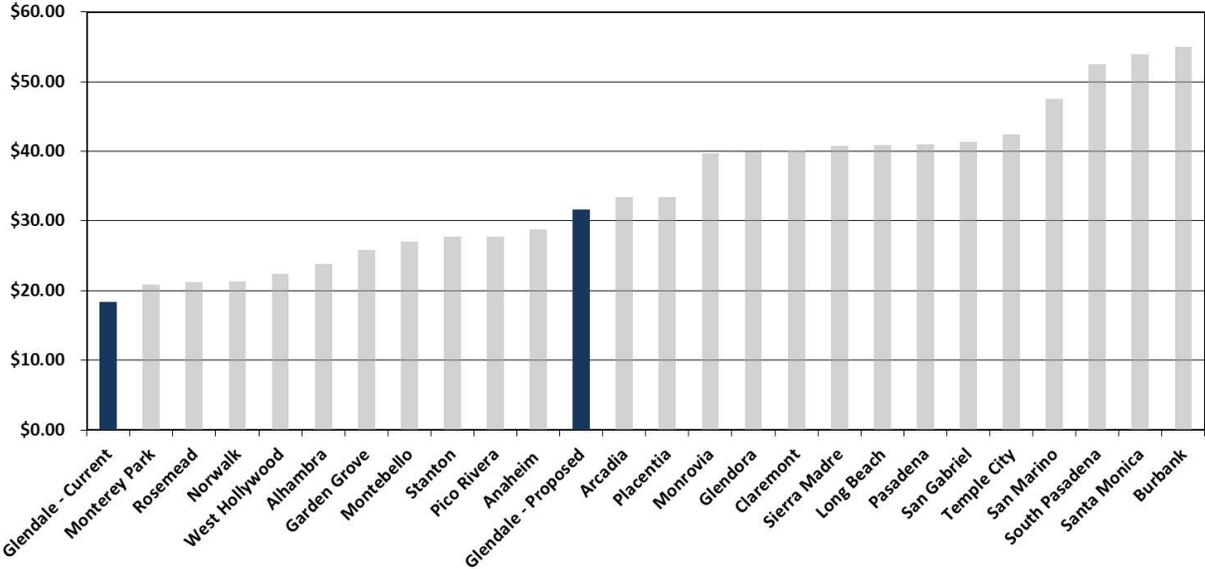
- Revenues derived from the fee or charge must not exceed the funds required to provide the property-related service;
- Revenues derived from the fee or charge must not be used for any purpose other than that for which the fee is imposed;
- The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership must not exceed the proportional cost of the service attributable to the parcel.

The City is required to set a public ‘majority protest’ hearing, and provide all customers and property owners with at least 45 days prior notice of the proposed rates. Unless a majority of customers object to the proposed rates, the City Council may adopt the proposed rates at the public hearing upon a majority vote.

Table 1 – Proposed Monthly Rates

Description	Current Rate	Proposed Rate Effective February 1, 2023	Proposed Rate Effective July 1, 2023	Proposed Rate Effective July 1, 2024	Proposed Rate Effective July 1, 2025	Proposed Rate Effective July 1, 2026	Proposed Rate Effective July 1, 2027
Automated Cart Service - Single Family							
Monthly Rate Standard 64 gallon cart	\$11.72	\$27.76	\$34.70	\$43.38	\$46.85	\$50.60	\$54.65
Adjustment Amount		\$16.04	\$6.94	\$8.68	\$3.47	\$3.75	\$4.05
Adjustment Percent		137%	25%	25%	8%	8%	8%
Monthly Rate - Standard 96 gallon cart	\$18.34	\$31.67	\$39.58	\$49.48	\$53.44	\$57.72	\$62.34
Adjustment Amount		\$13.33	\$7.91	\$9.90	\$3.96	\$4.28	\$4.62
Adjustment Percent		73%	25%	25%	8%	8%	8%
Automated Cart Service - Multi-family 2-4 units							
Monthly Rate - Standard 64 gallon cart	\$14.82	\$27.76	\$34.70	\$43.38	\$46.85	\$50.60	\$54.65
Adjustment Amount		\$12.94	\$6.94	\$8.68	\$3.47	\$3.75	\$4.05
Adjustment Percent		87%	25%	25%	8%	8%	8%
Monthly Rate - Standard 96 gallon cart	\$18.34	\$31.67	\$39.58	\$49.48	\$53.44	\$57.72	\$62.34
Adjustment Amount		\$13.33	\$7.91	\$9.90	\$3.96	\$4.28	\$4.62
Adjustment Percent		73%	25%	25%	8%	8%	8%
Monthly Rate - Additional 64 gallon cart	\$11.72	\$27.76	\$34.70	\$43.38	\$46.85	\$50.60	\$54.65
Adjustment Amount		\$16.04	\$6.94	\$8.68	\$3.47	\$3.75	\$4.05
Adjustment Percent		137%	25%	25%	8%	8%	8%
Front Loading Bin Service - MFR 2-4 units							
Monthly Rate - One cubic yard bin 1/week	\$33.00	\$84.50	\$105.63	\$132.04	\$142.60	\$154.01	\$166.33
Adjustment Amount		\$51.50	\$21.13	\$26.41	\$10.56	\$11.41	\$12.32
Adjustment Percent		156%	25%	25%	8%	8%	8%
Monthly Rate - Two cubic yard bin 1/week	\$45.35	\$109.15	\$136.44	\$170.55	\$184.19	\$198.93	\$214.84
Adjustment Amount		\$63.80	\$27.29	\$34.11	\$13.64	\$14.74	\$15.91
Adjustment Percent		141%	25%	25%	8%	8%	8%
Monthly Rate - Three cubic yard bin 1/week	\$58.15	\$133.80	\$167.25	\$209.06	\$225.78	\$243.84	\$263.35
Adjustment Amount		\$75.65	\$33.45	\$41.81	\$16.72	\$18.06	\$19.51
Adjustment Percent		130%	25%	25%	8%	8%	8%
Front Loading Bin Service - MFR 2-4 units - Additional Pickups							
Monthly Rate - One cubic yard bin 1/week	\$22.63	\$84.50	\$105.63	\$132.04	\$142.60	\$154.01	\$166.33
Adjustment Amount		\$61.87	\$21.13	\$26.41	\$10.56	\$11.41	\$12.32
Adjustment Percent		273%	25%	25%	8%	8%	8%
Monthly Rate - Two cubic yard bin 1/week	\$22.63	\$109.15	\$136.44	\$170.55	\$184.19	\$198.93	\$214.84
Adjustment Amount		\$86.52	\$27.29	\$34.11	\$13.64	\$14.74	\$15.91
Adjustment Percent		382%	25%	25%	8%	8%	8%
Monthly Rate - Three cubic yard bin 1/week	\$22.63	\$133.80	\$167.25	\$209.06	\$225.78	\$243.84	\$263.35
Adjustment Amount		\$111.17	\$33.45	\$41.81	\$16.72	\$18.06	\$19.51
Adjustment Percent		491%	25%	25%	8%	8%	8%

Chart 1 – Rate Comparison – Monthly Rate for Single-family Collection Service



2. APPROACH AND LIMITATIONS

2.1 Study Approach

This cost of service study consists of a financial plan analysis, and a rate design analysis.

- **Financial Plan Analysis** – The ‘big picture.’ This analysis considers the total amount of current and projected operating and capital expenditures, available cash, any planned debt financing, and required debt service coverage requirements. The result of this analysis is the projected revenue requirement, which is matched with the projected rate revenues from the proposed rates. This ensures that the City will generate sufficient revenues to meet its financial obligations.
- **Rate Design Analysis** – This analysis identifies the cause-and-effect relationship between the activities undertaken and resources used to provide various levels of service. Rates are designed to reflect the cost of service and proportionality requirements of Proposition 218.

2.2 Limitations

The financial plan analysis is subject to certain limitations. The pro-forma projections in the financial plan are based on assumptions regarding future inflation, and planned capital expenditures, etc. There will usually be differences between projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. Moreover, these projections were prepared for the sole use of the City for the purpose of analyzing the City’s solid waste rates. They are not intended to be used for any other purpose.

3. FINANCIAL PLAN

3.1 Comparison of Projected Revenues with Revenue Requirement

The financial plan for the solid waste enterprise fund compares the projected rate revenues with the projected revenue requirement (the enterprise fund’s projected operating expenses net of any use of cash balance). The enterprise fund’s projected operating results were projected over a five-year period under two scenarios. Section 3.2 below shows the projected operating results assuming that rates are *not* adjusted and remain at current levels. Section 3.3 further below shows the projected operating results assuming that rates are adjusted to generate revenue that will meet the enterprise fund’s financial obligations over a five-year period.

3.2 Projected Operating Results if Rates are Not Adjusted

Table 2 below shows the operating results for the solid waste enterprise fund if rates are not adjusted. Table 2 shows that the enterprise fund is currently experiencing an annual shortfall, which is expected to grow significantly over the next five years, if rates are not adjusted.

Table 2 – Projected Operating Results – *Without* Rate Adjustments

Description	Actual FY 2020	Actual FY 2021	Pre-audited Actual FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028
Revenues:									
Rate Revenue	\$17,397	\$17,347	\$11,404	\$6,589	\$6,654	\$6,721	\$6,788	\$6,855	\$6,923
Other Revenue	<u>7,808</u>	<u>6,409</u>	<u>5,837</u>	<u>4,940</u>	<u>4,531</u>	<u>4,850</u>	<u>4,481</u>	<u>4,097</u>	<u>4,257</u>
Total	\$25,204	\$23,756	\$17,241	\$11,528	\$11,185	\$11,570	\$11,268	\$10,952	\$11,181
Expenditures:									
Labor	\$9,955	\$8,649	\$6,107	\$9,147	\$7,776	\$7,907	\$8,040	\$8,175	\$8,313
Vehicles	4,100	3,635	3,584	3,723	3,656	3,950	4,013	4,077	4,143
Disposal/Processing	4,729	6,577	5,138	7,168	7,613	9,724	10,231	10,416	10,604
Overhead	<u>5,547</u>	<u>6,820</u>	<u>5,268</u>	<u>3,864</u>	<u>2,953</u>	<u>3,059</u>	<u>3,164</u>	<u>3,204</u>	<u>3,558</u>
Total Operating Expenses	\$24,330	\$25,681	\$20,098	\$23,903	\$21,998	\$24,639	\$25,448	\$25,873	\$26,618
Operating Surplus/(Shortfall)	874	(1,925)	(2,857)	(12,374)	(10,812)	(13,069)	(14,180)	(14,921)	(15,438)
Capital Expenditures	(111)	0	4,735	1,220	5,406	3,165	466	4,387	3,320
Total Expenditures	\$24,219	\$25,681	\$24,832	\$25,123	\$27,404	\$27,804	\$25,914	\$30,259	\$29,939
Total Surplus/(Shortfall)	\$985	(\$1,925)	(\$7,591)	(\$13,594)	(\$16,219)	(\$16,234)	(\$14,646)	(\$19,307)	(\$18,758)

(in 000s)

Table 3 on the following page shows a breakdown by asset type of the projected capital expenditures included in the projected operating results.

Table 3 – Projected Capital Expenditures

Description	Pre-audited Actual FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028
Sweepers	\$834		\$1,244			\$911	
Route Vehicles	1,655	830	1,516	640	434	3,476	3,198
Medium Duty Vehicles	50	40	122		32		123
Containers	1,546	350	2,525	2,525	0	0	0
Land Improvements	<u>650</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Capital Expenditures	\$4,735	\$1,220	\$5,406	\$3,165	\$466	\$4,387	\$3,320

(in 000s)

Table 4 below analyzes the annual change in cash resulting from the projected annual shortfalls in the enterprise fund. Table 4 shows how the beginning cash balance is reduced by the annual shortfall. Table 4 shows that without adjusting its current rates, the enterprise fund is expected to deplete its cash balance sometime in early fiscal 2024.

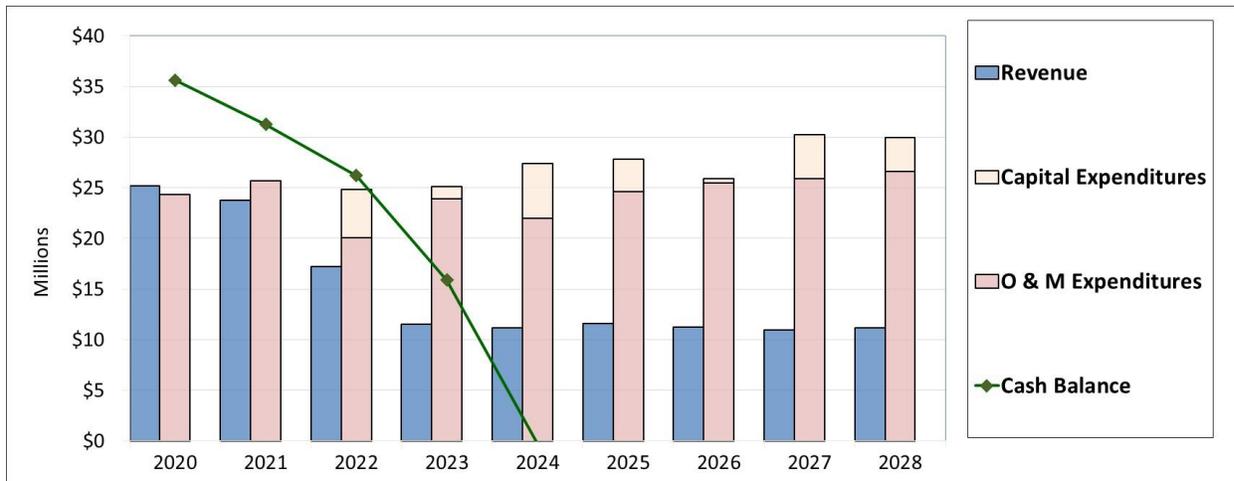
Table 4 – Analysis of Cash *Without* Rate Adjustments

Description	Actual FY 2020	Actual FY 2021	Pre-audited Actual FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028
Cash Reserve:									
Beginning Cash	\$38,763	\$35,621	\$31,258	\$26,199	\$15,897	(\$322)	(\$16,556)	(\$31,202)	(\$50,509)
Operating Surplus/(Shortfall)	874	(1,925)	(2,857)	(12,374)	(10,812)	(13,069)	(14,180)	(14,921)	(15,438)
Capital Expenditures	111	0	(4,735)	(1,220)	(5,406)	(3,165)	(466)	(4,387)	(3,320)
Other Changes to Cash	<u>(4,127)</u>	<u>(2,438)</u>	<u>2,533</u>	<u>3,293</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Cash	\$35,621	\$31,258	\$26,199	\$15,897	(\$322)	(\$16,556)	(\$31,202)	(\$50,509)	(\$69,267)

(in 000s)

Chart 2 on the following page shows how the annual operating results are projected to change the balance in the enterprise fund’s operating cash over the next five years if rates are not adjusted.

Chart 2 – Projected Operating Results *Without* Rate Adjustments



The red and blue bars in Chart 2 represent the relationship between operating expenses and current revenues, respectively. These show how the annual shortfall reduces the operating cash (green line) over time. Chart 2 graphically shows how, if rates are not adjusted, the cash balance in the solid waste enterprise fund will be completely depleted sometime during fiscal 2024.

3.3 Projected Operating Results with Proposed Rate Adjustments

Table 5 on the following page shows the operating results for the solid waste enterprise fund if rates *are* adjusted. (Table 5 is comparable to Table 2, which shows the projected operating results without the rate adjustments). The detailed amounts for the revenue and expenditures shown in Table 5 are shown in Appendix A. Table 5 shows that, if rates are adjusted, the enterprise fund will generate a surplus in fiscal 2026.

Table 5 – Projected Operating Results – *With* Rate Adjustments

Description	Actual FY 2020	Actual FY 2021	Pre-audited Actual FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028
Revenues:									
Rate Revenue	\$17,397	\$17,347	\$11,404	\$8,922	\$15,387	\$19,427	\$21,191	\$23,115	\$25,213
Other Revenue	<u>7,808</u>	<u>6,409</u>	<u>5,837</u>	<u>4,940</u>	<u>4,979</u>	<u>5,169</u>	<u>4,803</u>	<u>4,306</u>	<u>4,455</u>
Total	\$25,204	\$23,756	\$17,241	\$13,862	\$20,366	\$24,597	\$25,994	\$27,421	\$29,668
Expenditures:									
Labor	\$9,955	\$8,649	\$6,107	\$9,147	\$7,776	\$7,907	\$8,040	\$8,175	\$8,313
Vehicles	4,100	3,635	3,584	3,723	3,656	3,950	4,013	4,077	4,143
Disposal/Processing	4,729	6,577	5,138	7,168	7,613	9,724	10,231	10,416	10,604
Overhead	<u>5,547</u>	<u>6,820</u>	<u>5,268</u>	<u>3,864</u>	<u>2,953</u>	<u>3,059</u>	<u>3,164</u>	<u>3,204</u>	<u>3,558</u>
Total Operating Expenses	\$24,330	\$25,681	\$20,098	\$23,903	\$21,998	\$24,639	\$25,448	\$25,873	\$26,618
Operating Surplus/(Shortfall)	874	(1,925)	(2,857)	(10,041)	(1,632)	(43)	546	1,548	3,050
Capital Expenditures	(111)	0	4,735	1,220	5,406	3,165	466	4,387	3,320
Total Expenditures	\$24,219	\$25,681	\$24,832	\$25,123	\$27,404	\$27,804	\$25,914	\$30,259	\$29,939
Total Surplus/(Shortfall)	\$985	(\$1,925)	(\$7,591)	(\$11,261)	(\$7,038)	(\$3,208)	\$79	(\$2,838)	(\$270)

(in 000s)

Table 6 below analyzes the annual change in operating cash resulting from the projected annual shortfalls and surpluses in the enterprise fund assuming that rates are adjusted. Table 6 is comparable to the analysis of cash balances in Table 4, which shows the impact on cash balances if rates were not adjusted). Table 6 shows that, if rates *are* adjusted, the cash balance in the enterprise fund is expected to decrease significantly in fiscal years 2023 and 2024, and range between approximately \$8 million and \$5 million over the following fiscal years.

Table 6 – Analysis of Cash *With* Proposed Rate Adjustment

Description	Actual FY 2020	Actual FY 2021	Pre-audited Actual FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028
Cash Reserve:									
Beginning Cash	\$38,763	\$35,621	\$31,258	\$26,199	\$18,231	\$11,192	\$7,985	\$8,064	\$5,226
Operating Surplus/(Shortfall)	874	(1,925)	(2,857)	(10,041)	(1,632)	(43)	546	1,548	3,050
Capital Expenditures	111	0	(4,735)	(1,220)	(5,406)	(3,165)	(466)	(4,387)	(3,320)
Other Changes to Cash	<u>(4,127)</u>	<u>(2,438)</u>	<u>2,533</u>	<u>3,293</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Cash	\$35,621	\$31,258	\$26,199	\$18,231	\$11,192	\$7,985	\$8,064	\$5,226	\$4,956

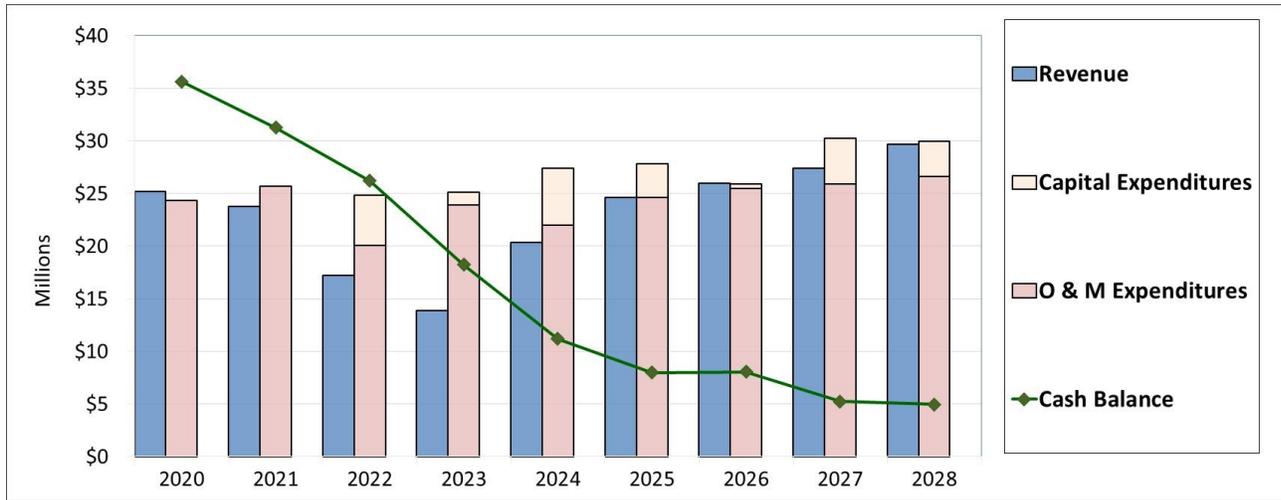
(in 000s)

3.4 Projected Long-term Operating Results with Proposed Rate Adjustments

Chart 3 on the following page shows how the annual operating results are projected to change the balance in the enterprise fund’s operating cash over the next five years if rates *are* adjusted.

(Chart 3 is comparable to Chart 2, which showed the projected operating results if rates and tip fees were not adjusted). Chart 3 shows how, if rates are adjusted, the cash balance in the solid waste enterprise fund will be positive over the next five years. Chart 3 shows that, assuming rates are adjusted, the enterprise fund will be able to meet its current and future financial obligations.

Chart 3 – Projected Operating Results With Rate Adjustments



4. RATE DESIGN

In this analysis, cost-based collection rates were designed for each level of service to achieve the revenue requirement. Rates were designed by identifying the ‘cause-and-effect’ relationship between the activities or use of resources (cost drivers), and the resulting costs incurred. As a result, the individual customer rates reflect the cost of service and proportionality requirements of Proposition 218.

4.1 Revenue Requirement

The revenue requirement is the total rate revenue that the enterprise fund must generate to meet its annual financial obligations. These obligations include covering its operating and capital expenditures, and maintaining its cash balance. The revenue requirement is comprised of operating and maintenance costs, and rate-funded capital expenditures, net of any other or non-rate revenues. Non-rate revenues include items such as grants, interest income, and AB 939 Fees, etc. The revenue requirement is decreased in years when the City uses its cash balance to help fund its operations; the revenue requirement is increased in years when the City increases its cash balance. Table 7 below shows the enterprise fund’s projected revenue requirements over the next five years. The annual revenue requirements in Table 7 are derived using the total annual expenditures and other revenue in Table 5, and the annual change in cash in Table 6.

Table 7 – Projected Revenue Requirements

Description	Actual FY 2020	Actual FY 2021	Pre-audited Actual FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028
Revenue Requirement									
Total Expenditures	\$24,219	\$25,681	\$24,832	\$25,123	\$27,404	\$27,804	\$25,914	\$30,259	\$29,939
Total Surplus/(Shortfall)				(\$11,261)	(\$7,038)	(\$3,208)	\$79	(\$2,838)	(\$270)
Other Revenue				(4,940)	(4,979)	(5,169)	(4,803)	(4,306)	(4,455)
Total Rate Revenue Requirement				\$8,922	\$15,387	\$19,427	\$21,191	\$23,115	\$25,213

(in 000s)

4.2 Rate Design Method

Cost-based collection rates were designed by identifying the cost types associated with each of these cost ‘drivers’:

- Route Operating Cost** - the time it takes to travel from stop to stop in the service area. This cost was allocated among customers based on the number of pickups. For example, a multi-family customer with three bin pickups per week is allocated three times as much of this cost as a customer with one pickup per week.

- **Disposal/Processing Tip Fee Cost** – the cost of fees per ton incurred at disposal and processing sites. This cost was allocated among customers based on the amount of container capacity serviced per week. This is because the amount of container capacity serviced per week is a reasonable measure of the relative weight of waste collected and delivered to the landfill.
- **Overhead** – Indirect costs such as buildings, utilities, general and administrative costs were allocated proportionately based on the amount of direct cost allocated to each level of service.

4.3 Rate Design Calculations

Table 8 below, and Table 9, on the following pages show the 10 steps used to calculate the proposed cost-based rates according to the rate design method.

Table 8 – Allocated Rate Revenue Target

Row	Column	A	B
	Description	Projected FY 2023	Percent of Total Expenditures
Step 1 - Organize Total Cost into Cost Pools (Route Operating; Disposal/Processing; and Overhead)			
	Total Expenditures:		
1	Labor	\$9,146,655	
2	Vehicles	4,943,469	
3	Subtotal - Route Operating Cost	14,090,124	56.08%
4	Disposal/Processing	7,168,400	28.53%
5	Overhead	<u>3,864,342</u>	15.38%
6	Total Expenditures	\$25,122,866	100.00%
Step 2 - Determine Total Annual Revenue Target			
7	Total Expenditures	\$25,122,866	
8	Deduct Other Income	(4,939,631)	
9	Total Surplus/(Shortfall)	<u>(11,260,969)</u>	
10	Subtotal - Revenue Requirement	8,922,266	
11	Add new rate revenue due to mid year rate adjustment 7/12ths	<u>3,266,922</u>	
12	Total Annual Rate Revenue Target	\$12,189,188	
Step 3 - Allocate Total Revenue Target to Cost Pools based on Percent of Total Expenditures			
	Allocated Revenue Requirement:		
13	Route Operating Cost	\$6,836,289	56.08%
14	Disposal/Processing	3,477,986	28.53%
15	Overhead	<u>1,874,913</u>	15.38%
16	Total Allocated Rate Revenue Target	\$12,189,188	100.00%

Table 8 shows how the rate revenue target for the initial rates is calculated. For the initial rates only, the rate revenue *target* is different from the revenue *requirement*. The revenue requirement is the total amount of rate revenue needed for the enterprise fund to meet its financial obligations. For fiscal 2023, the revenue requirement is the \$8,922,266 shown in Table 7. The annual rate revenue target that the initial rates are designed to generate is the \$12,189,188 shown on Row 16 in Table 8.

Step 1 in Table 8 organizes the enterprise fund's total expenditures for the base year (FY 2023) into three pools of cost: 1) Route Operating Cost, 2) Disposal/Processing Cost, and 3) Indirect Costs.

Step 2 in Table 8 shows the total amount of targeted *annual* rate revenue that the initial rates are designed to generate. However, because the initial rates will be implemented midway during the fiscal year (February 1, 2023), this total annual targeted revenue amount will not be fully achieved. It is an annual target amount of revenue the initial rates are designed to achieve. To determine the annual revenue target amount for the first adjustment, an amount equal to 7/12ths (which represents the revenue foregone during the seven months from July 1, 2022 through January 31, 2023) of the new rate revenue is added to the revenue requirement for fiscal 2023. This is the \$3,266,922 amount on Row 11 in Table 8. The total annual rate revenue *target* is \$12,189,188 shown in Row 12 and in Row 16 in Table 8.

Step 3 in Table 8 shows how the annual rate revenue target is allocated among the three cost pools based on their proportionate share of total expenditures. Table 8 also shows that Indirect Costs are 15.38% of total cost. This percentage will be used further below to assign indirect costs to the rates in Step 9 in Table 11.

Table 9 on the following page shows the operating cost statistics used to calculate the rates. **Step 4** in Table 9 shows the calculation of the total number of gallons (on which Disposal/Processing Cost is assigned to the rates), and the total number of stops (on which Route Operating Cost is assigned to the rates). An equivalent stop factor was used to increase the weight of the stops for front loading bin service to reflect the fact that front loader routes take more time per stop than automated side loader routes.

Step 5 in Table 9 shows the calculation of the average Disposal/Processing Cost per Gallon, and the average Route Operating Cost per stop. The average Disposal/Processing Cost per Gallon is derived by dividing the Annual Disposal/Processing Cost Revenue Target (from line 14 of Table 8) by the total number of gallons per year. The average Route Operating Cost per stop is derived by dividing the Annual Route Operating Cost (from line 13 of Table 8) by the total number of stops per year.

Table 9 –Operating Cost Statistics

Row	Column	A	B	C	D	E	F	G
	Description	Gallons per Unit	Number of Units	Gallons per Month	Gallons per Year	Number of Stops per Month	Stop Adjustment Factor	Stops per Year
Step 4 - Calculate Total Number of Annual Gallons and Stops								
Automated Cart Service - Single Family								
1	Standard 64 gallon cart	64	5,333	1,479,019	17,748,224	23,110	1	277,316
2	Standard 96 gallon cart	96	18,691	7,775,456	93,305,472	80,994	1	971,932
Automated Cart Service - Multi-family 2-4 units								
3	Standard 64 gallon cart	64	8,594	2,383,403	28,600,832	37,241	1	446,888
4	Standard 96 gallon cart	96	266	110,656	1,327,872	1,153	1	13,832
5	Additional 64 gallon cart	64	194	53,803	645,632	841	1	10,088
Front Loading Bin Service - MFR 2-4 units								
6	One cubic yard bin 1/week	202	56	49,019	588,224	243	3	8,736
7	Two cubic yard bin 1/week	404	123	215,332	2,583,984	533	3	19,188
8	Three cubic yard bin 1/week	606	24	63,024	756,288	104	3	3,744
Front Loading Bin Service - Additional Pickups								
9	One cubic yard bin 1/week	202	6	5,252	63,024	26	3	936
10	Two cubic yard bin 1/week	404	6	10,504	126,048	26	3	936
11	Three cubic yard bin 1/week	606	7	18,382	220,584	30	3	1,092
12	Total		33,300	12,163,849	145,966,184	144,300		1,754,688

Step 5 - Use Allocated Revenue Requirement to Calculate Average Disposal Cost per Gallon; Average Route Operating Cost per Stop

Average Disposal Cost per Gallon

13	Annual Disposal/Processing Revenue Requirement (from Row 13 in Step 3)	\$3,477,986
14	Gallons per Year	145,966,184
15	Disposal/Processing Revenue Requirement per Gallon	\$0.0238

Average Route Operating Cost per Stop

16	Annual Route Operating Revenue Requirement (from Row 12 in Step 3)	\$6,836,289
17	Stops per Year	1,754,688
18	Annual Route Operating Revenue Requirement per Stop	\$3.90

Table 10 on the following page shows the calculation of the Disposal/Processing Cost, and the Route Operating Cost, for each level of service. **Step 6** in Table 10 calculates the monthly Disposal/Processing Cost per unit for each level of service by multiplying the average Disposal/Processing Cost per gallon by the gallons per month.

Step 7 in Table 10 calculates the monthly Route Operating Cost per unit for each level of service by multiplying the average Route Operating Cost per Stop by the stops per month. **Step 8** in Table 10 calculates the direct cost per unit by combining the Disposal/Processing Cost per unit and the Route Operating Cost per unit.

Table 10 – Direct Cost for Each Level of Service

Row	Column	A	B	C	D	E	F	G	H	I
	Description	Gallons per Unit	Gallons per Month per Unit	Cost per Gallon	Disposal Processing Cost per Month	Equivalent Stops per Unit	Stops per Unit per Month	Cost per Stop	Route Operating Cost per Month	Total Direct Costs
		Step 6 - Calculate Disposal/Processing cost per month for each level of service				Step 7 - Calculate Route Operating Cost per Month for each level of service				Step 8 - Sum of Disposal and Route Operating Cost per month
Automated Cart - Single Family										
1	Standard 64 gallon cart	64	277	\$0.0238	\$6.61	1	4.33	\$3.90	\$16.88	\$23.49
2	Standard 96 gallon cart	96	416	0.0238	9.91	1	4.33	3.90	16.88	26.79
Automated Cart - Multi-family 2-4 units										
3	Standard 64 gallon cart	64	277	0.0238	6.61	1	4.33	3.90	16.88	23.49
4	Standard 96 gallon cart	96	416	0.0238	9.91	1	4.33	3.90	16.88	26.79
5	Additional 64 gallon cart	64	277	0.0238	6.61	1	4.33	3.90	16.88	23.49
Front Loading Bin - MFR 2-4 units										
6	One cubic yard bin 1/week	202	875	0.0238	20.86	3	13.00	3.90	50.65	71.51
7	Two cubic yard bin 1/week	404	1,751	0.0238	41.71	3	13.00	3.90	50.65	92.36
8	Three cubic yard bin 1/week	606	2,626	0.0238	62.57	3	13.00	3.90	50.65	113.22
Front Loading Bin - Additional Pickups										
9	One cubic yard bin 1/week	202	875	0.0238	20.86	3	13.00	3.90	50.65	71.51
10	Two cubic yard bin 1/week	404	1,751	0.0238	41.71	3	13.00	3.90	50.65	92.36
11	Three cubic yard bin 1/week	606	2,626	\$0.0238	\$62.57	3	13.00	\$3.90	\$50.65	\$113.22

Table 11 on the following page calculates the indirect cost per unit, and summarizes the cost per unit of all three types of cost to arrive at the cost-based rate for each level of service. **Step 9** calculates the indirect cost per unit based on indirect cost as a proportionate share of total cost from Row 15 of Table 8. Step 10, the final step, combines the cost per unit of the Disposal/Processing Cost, Route Operating Cost, and the Indirect Cost to arrive at the cost per unit for each level of service. These cost per unit amounts are found in the proposed monthly rates in Table 1, and are used to recalculate the annual rate revenue in Table 12 and Table 13.

Table 11 – Indirect Cost and Sum of Total Cost for Each Level of Service

A	B	C	D	E	F	G
Total Direct Costs	Indirect cost as percent of total cost	Indirect Cost per month	Disposal Processing Cost per Month	Route Operating Cost per Month	Indirect Cost per month	Total Cost of Service per month
Step 9 - Calculate Indirect cost per month for each level of service			Step 10 - Summarize Disposal/Processing, Route Operating and Indirect Cost per month			
23.49	15.38%	\$4.27	\$6.61	\$16.88	\$4.27	\$27.76
26.79	15.38%	4.87	9.91	16.88	4.87	31.67
23.49	15.38%	4.27	6.61	16.88	4.27	27.76
26.79	15.38%	4.87	9.91	16.88	4.87	31.67
23.49	15.38%	4.27	6.61	16.88	4.27	27.76
71.51	15.38%	13.00	20.86	50.65	13.00	84.50
92.36	15.38%	16.79	41.71	50.65	16.79	109.15
113.22	15.38%	20.58	62.57	50.65	20.58	133.80
71.51	15.38%	13.00	20.86	50.65	13.00	84.50
92.36	15.38%	16.79	41.71	50.65	16.79	109.15
113.22	15.38%	\$20.58	\$62.57	\$50.65	\$20.58	\$133.80

4.4 Projected Rate Revenue based on Proposed Rate Adjustments

Table 12 on the following page, Table 13 on page 19, and Table 14 on page 20 show how the proposed rates, when extended by the number of customers at each level of service, meet the City’s annual projected revenue requirements in Table 7. Table 12 shows the recalculation of the revenue requirement for automated cart rates, Table 13 shows the recalculation of the revenue requirement for frontload bin rates, and Table 14 summarizes the total revenue requirement from each of these tables.

Table 12, Table 13, and Table 14 show that the rates implemented on February 1, 2023 would typically generate approximately \$12,189,188 in annual revenue. However, because they are being implemented at the midpoint in the fiscal year, they are projected to only generate approximately \$8,922,266 during fiscal 2023. This amount corresponds with the 2023 revenue requirement in Table 7. Table 14 shows the average increase in revenue in each year. In FY 2023, the proposed rates are projected to increase annual revenue an average of 85%. In each of the fiscal years after FY 2023, the average annual growth in revenue includes an additional 1% to reflect the volume growth in the number of customers.

Table 12 – Summary of Automated Cart Rate Revenue

Description	Current Rates	Proposed Rates Effective February 1, 2023	Proposed Rates Effective July 1, 2023	Proposed Rates Effective July 1, 2024	Proposed Rates Effective July 1, 2025	Proposed Rates Effective July 1, 2026	Proposed Rates Effective July 1, 2027
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Customer Count							
Automated Cart Service - Single Family							
Standard 64 gallon cart	5,333	5,333	5,386	5,440	5,494	5,549	5,604
Standard 96 gallon cart	18,691	18,691	18,878	19,067	19,258	19,451	19,646
Automated Cart Service - Multi-family 2-4 units							
Standard 64 gallon cart	8,594	8,594	8,680	8,767	8,855	8,944	9,033
Standard 96 gallon cart	266	266	268	270	272	274	276
Additional 64 gallon cart	194	194	196	198	200	202	204
Monthly Rates							
Automated Cart Service - Single Family							
Standard 64 gallon cart	\$11.72	\$27.76	\$34.70	\$43.38	\$46.85	\$50.60	\$54.65
Standard 96 gallon cart	18.34	31.67	39.58	49.48	53.44	57.72	62.34
Automated Cart Service - Multi-family 2-4 units							
Standard 64 gallon cart	14.82	27.76	34.70	43.38	46.85	50.60	54.65
Standard 96 gallon cart	18.34	31.67	39.58	49.48	53.44	57.72	62.34
Additional 64 gallon cart	\$11.72	\$27.76	\$34.70	\$43.38	\$46.85	\$50.60	\$54.65
Annual Rate Revenue							
Automated Cart Service - Single Family							
Standard 64 gallon cart	\$750,033	\$1,776,591	\$2,242,730	\$2,831,846	\$3,088,727	\$3,369,353	\$3,675,103
Standard 96 gallon cart	4,113,515	7,102,349	8,966,295	11,321,222	12,349,770	13,472,541	14,696,780
Automated Cart Service - Multi-family 2-4 units							
Standard 64 gallon cart	1,528,357	2,862,934	3,614,352	4,563,750	4,978,281	5,430,797	5,923,841
Standard 96 gallon cart	58,541	101,077	127,289	160,315	174,428	189,783	206,470
Additional 64 gallon cart	<u>27,284</u>	<u>64,628</u>	<u>81,614</u>	<u>103,071</u>	<u>112,440</u>	<u>122,654</u>	<u>133,783</u>
Total Annual Automated Cart Rate Revenue	\$6,477,731	\$11,907,578	\$15,032,281	\$18,980,204	\$20,703,646	\$22,585,128	\$24,635,978

Table 13 – Summary of Frontload Bin Rate Revenue

Description	Current Rates	Proposed Rates Effective February 1, 2023	Proposed Rates Effective July 1, 2023	Proposed Rates Effective July 1, 2024	Proposed Rates Effective July 1, 2025	Proposed Rates Effective July 1, 2026	Proposed Rates Effective July 1, 2027
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Customer Count							
Front Loading Bin Service - MFR 2-4 units							
One cubic yard bin 1/week	56	56	57	58	59	60	61
Two cubic yard bin 1/week	123	123	124	125	126	127	128
Three cubic yard bin 1/week	24	24	24	24	24	24	24
Front Loading Bin Service - Additional Pickups							
One cubic yard bin 1/week	6	6	6	6	6	6	6
Two cubic yard bin 1/week	6	6	6	6	6	6	6
Three cubic yard bin 1/week	7	7	7	7	7	7	7
Total Customers	222	222	224	226	228	230	232
Monthly Rates							
Front Loading Bin Service - MFR 2-4 units							
One cubic yard bin 1/week	\$33.00	\$84.50	\$105.63	\$132.04	\$142.60	\$154.01	\$166.33
Two cubic yard bin 1/week	45.35	109.15	136.44	170.55	184.19	198.93	214.84
Three cubic yard bin 1/week	58.15	133.80	167.25	209.06	225.78	243.84	263.35
Front Loading Bin Service - Additional Pickups							
One cubic yard bin 1/week	22.63	84.50	105.63	132.04	142.60	154.01	166.33
Two cubic yard bin 1/week	22.63	109.15	136.44	170.55	184.19	198.93	214.84
Three cubic yard bin 1/week	\$22.63	\$133.80	\$167.25	\$209.06	\$225.78	\$243.84	\$263.35
Annual Rate Revenue							
Front Loading Bin Service - MFR 2-4 units							
One cubic yard bin 1/week	22,176	56,786	72,251	91,900	100,961	110,887	121,754
Two cubic yard bin 1/week	66,937	161,107	203,023	255,825	278,495	303,169	329,994
Three cubic yard bin 1/week	16,747	38,534	48,168	60,209	65,025	70,226	75,845
Front Loading Bin Service - Additional Pickups							
One cubic yard bin 1/week	1,629	6,084	7,605	9,507	10,267	11,089	11,976
Two cubic yard bin 1/week	1,629	7,859	9,824	12,280	13,262	14,323	15,468
Three cubic yard bin 1/week	<u>\$1,901</u>	<u>\$11,239</u>	<u>\$14,049</u>	<u>\$17,561</u>	<u>\$18,966</u>	<u>\$20,483</u>	<u>\$22,121</u>
Total Annual Frontload Bin Rate Revenue	\$111,019	\$281,610	\$354,920	\$447,282	\$486,975	\$530,177	\$577,158

Table 14 – Summary of Rate Revenue and Reconciliation to Revenue Requirement

Description	Projected FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028
Annual Automated Cart Rate Revenue	\$6,477,731	\$11,907,578	\$15,032,281	\$18,980,204	\$20,703,646	\$22,585,128	\$24,635,978
Annual Frontload Bin Rate Revenue	<u>111,019</u>	<u>281,610</u>	<u>354,920</u>	<u>447,282</u>	<u>486,975</u>	<u>530,177</u>	<u>577,158</u>
Total Annual Rate Revenue	\$6,588,750	\$12,189,188	\$15,387,201	\$19,427,486	\$21,190,621	\$23,115,305	\$25,213,136
Average Percent Increase in Rate Revenue (includes 1% for customer growth after FY 2023)		85%	26%	26%	9%	9%	9%
Reconcile to Revenue Requirement:							
Annual Rate Revenue Target		\$12,189,188	\$15,387,201	\$19,427,486	\$21,190,621	\$23,115,305	\$25,213,136
Less: Revenue attributable to mid-year rate adjustment		(\$3,266,922)					
Revenue Requirement		\$8,922,266	\$15,387,201	\$19,427,486	\$21,190,621	\$23,115,305	\$25,213,136

5. PERCENT OF CUSTOMERS AFFECTED

Table 15 below shows the current rate, and the rate proposed to become effective February 1, 2023 along with the amount of the increase and percent change. The right-hand column shows the portion of total customers that will be affected by each percent change of rate adjustment.

Table 15 – Percent of Customers Affected

Description	Current Rate	Proposed Rate Effective February 1, 2023	Adjustment Amount per Month	Percent Adjustment	Number of Customers Affected	Percent of Total Customers Affected
Automated Cart Service - Single Family						
Standard 64 gallon cart	\$11.72	\$27.76	\$16.04	137%	5,333	16.0%
Standard 96 gallon cart	\$18.34	\$31.67	\$13.33	73%	18,691	56.1%
Automated Cart Service - Multi-family 2-4 units						
Standard 64 gallon cart	\$14.82	\$27.76	\$12.94	87%	8,594	25.8%
Standard 96 gallon cart	\$18.34	\$31.67	\$13.33	73%	266	0.8%
Additional 64 gallon cart	\$11.72	\$27.76	\$16.04	137%	194	0.6%
Front Loading Bin Service - MFR 2-4 units						
One cubic yard bin 1/week	\$33.00	\$84.50	\$51.50	156%	56	0.2%
Two cubic yard bin 1/week	\$45.35	\$109.15	\$63.80	141%	123	0.4%
Three cubic yard bin 1/week	\$58.15	\$133.80	\$75.65	130%	24	0.1%
Front Loading Bin Service - Additional Pickups						
One cubic yard bin 1/week	\$22.63	\$84.50	\$61.87	273%	6	0.0%
Two cubic yard bin 1/week	\$22.63	\$109.15	\$86.52	382%	6	0.0%
Three cubic yard bin 1/week	\$22.63	\$133.80	\$111.17	491%	7	0.0%
Total					33,300	100.0%

Appendix A – Revenue and Expenditure Detail

Description	Actual	Actual	Pre-audited	Projected	Projected	Projected	Projected	Projected	Projected
	FY 19-20	FY 20-21	Actual FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Rate Revenue									
Residential refuse fees	\$12,986,604	\$12,989,259	\$9,437,437	\$8,922,266	\$15,387,142	\$19,427,412	\$21,190,542	\$23,115,219	\$25,213,044
Commercial bin srv multi units	3,472,044	3,500,923	1,577,316	-	-	-	-	-	-
Commercial bin srv business	902,808	831,148	358,048	-	-	-	-	-	-
Refuse bin drop off fees	35,430	25,273	31,278	-	-	-	-	-	-
Subtotal - Rate Revenue	17,396,886	17,346,603	11,404,079	8,922,266	15,387,142	19,427,412	21,190,542	23,115,219	25,213,044
Other Revenue									
Disaster relief reimb federal	-	-	-	-	-	-	-	-	-
Recyclables state grant	108,024	(50,104)	5,053	-	50,000	50,000	50,000	50,000	50,000
State grants	88,214	100,623	389,357	-	-	-	-	-	-
Collectible jobs overhead	-	-	-	-	-	-	-	-	-
Merchant fee charges	(5,805)	(10,904)	(8,396)	(5,000)	-	-	-	-	-
Commercial refuse fees	2,787,201	2,772,163	1,215,336	-	-	-	-	-	-
Bin Rental Fee	(324)	-	-	-	-	-	-	-	-
Sale of recyclables	367,379	370,024	72,461	-	-	-	-	-	-
AB 939 fees	2,836,900	2,317,607	3,080,449	3,402,831	3,538,944	3,680,502	3,827,722	3,980,831	4,140,064
Private hauler permit fees	33,144	37,152	41,304	10,000	44,000	44,880	45,778	46,693	47,627
Vehicle charges	-	-	-	-	-	-	-	-	-
Equipment usage charges	-	-	-	-	-	-	-	-	-
Rebate revenue	-	-	-	-	-	-	-	-	-
Unclaimed money and property	11	338,456	603,549	-	-	-	-	-	-
Miscellaneous revenue	51,264	578,707	6,000	362,800	3,000	3,060	3,121	3,184	3,247
Misc. revenue - Host Fees	-	-	-	800,000	880,000	1,056,000	538,560	-	-
Citywide collection revenue	-	-	-	-	-	-	-	-	-
Interest income	762,098	454,002	369,662	369,000	447,689	319,385	322,564	209,027	198,219
Interest GASB31	686,921	(514,303)	(1,595,208)	-	-	-	-	-	-
Sales of property	92,550	16,000	1,657,135	-	15,000	15,300	15,606	15,918	16,236
Subtotal - Other Revenue	\$7,807,577	\$6,409,423	\$5,836,702	\$4,939,631	\$4,978,633	\$5,169,127	\$4,803,351	\$4,305,653	\$4,455,393
Total Revenue	\$25,204,463	\$23,756,026	\$17,240,781	\$13,861,897	\$20,365,775	\$24,596,539	\$25,993,893	\$27,420,872	\$29,668,437
Expenses									
Labor									
Salaries	4,012,860	3,993,128	3,684,504	4,723,117	4,014,649	4,074,869	4,135,992	4,198,032	4,261,003
Additional pay persable	16,357	19,621	11,142	7,362	6,258	6,352	6,447	6,544	6,642
Additional pay non-pers	88,341	85,741	78,119	78,011	66,309	67,304	68,314	69,338	70,378
Overtime	1,119,485	1,063,669	1,067,264	586,470	498,500	505,977	513,567	521,270	529,089
Hourly wages	119,480	98,538	132,152	219,062	186,203	188,996	191,831	194,708	197,629
Vacation and compensatory time	105,052	46,247	42,105	89,005	75,654	76,789	77,941	79,110	80,297
Sick leave	50,425	30,751	20,512	33,722	28,664	29,094	29,530	29,973	30,423
OPEB Funding Exp	29,267	16,456	21,166	26,482	22,510	22,847	23,190	23,538	23,891
Other benefits	38,289	40,547	36,990	14,375	12,219	12,402	12,588	12,777	12,969
Life insurance	6,400	7,575	6,313	8,090	6,877	7,014	7,154	7,297	7,443
Disability insurance	17,025	16,970	14,992	19,516	16,589	16,920	17,259	17,604	17,956
Vision insurance	14,376	14,135	11,710	13,111	11,144	11,367	11,595	11,826	12,063
Medical insurance	594,000	627,269	639,145	955,912	812,525	828,776	845,351	862,258	879,503
Dental insurance	31,465	30,682	26,388	29,368	24,963	25,462	25,971	26,491	27,021
Unemployment insurance	1,605	2,620	9,891	11,242	9,556	9,747	9,942	10,141	10,343
Workers compensation insurance	747,543	616,594	410,349	417,249	354,662	361,755	368,990	376,370	383,897
Medicare	71,946	70,123	67,392	76,422	64,959	66,258	67,583	68,935	70,313
Social security and PARS	3	18	-	-	-	-	-	-	-
PERS retirement	1,442,152	1,553,697	1,585,685	1,979,881	1,682,899	1,716,557	1,750,888	1,785,906	1,821,624
PERS cost sharing	(172,693)	(171,430)	(140,571)	(148,533)	(126,253)	(128,778)	(131,354)	(133,981)	(136,660)
PERS funding reversal	(1,251,351)	(1,372,518)	(1,731,653)	-	-	-	-	-	-
PERS GASB 68 expense	2,628,901	1,614,173	(198,168)	-	-	-	-	-	-
PERS vacant positions	238,572	239,369	305,846	-	-	-	-	-	-
Auto allowance	5,113	5,418	5,957	6,791	6,791	6,927	7,065	7,207	7,351
Subtotal - Labor	\$ 9,954,613	\$ 8,649,393	\$ 6,107,230	\$ 9,146,655	\$ 7,775,678	\$ 7,906,635	\$ 8,039,844	\$ 8,175,344	\$ 8,313,175

Appendix A – Revenue and Expenditure Detail

Description	Actual	Actual	Pre-audited	Projected	Projected	Projected	Projected	Projected	Projected
	FY 19-20	FY 20-21	Actual FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Vehicles									
Repairs to equipment	58,339	113,157	440	77,500	-	-	-	-	-
Vehicle maintenance	-	-	-	-	-	-	-	-	-
Fuel natural gas	-	-	-	-	-	-	-	-	-
Fuel gasoline	-	-	-	-	-	-	-	-	-
Fuel diesel	-	-	-	-	-	-	-	-	-
Fleet equipment rental	3,814,650	3,337,149	3,337,149	3,337,148	3,403,891	2,893,307	2,951,173	3,010,197	3,070,401
Liability Insurance	226,749	184,767	246,751	308,821	251,686	256,720	261,854	267,092	272,433
Subtotal - Vehicles	\$ 4,099,738	\$ 3,635,073	\$ 3,584,340	\$ 3,723,469	\$ 3,655,577	\$ 3,150,027	\$ 3,213,027	\$ 3,277,289	\$ 3,342,834
Disposal/Processing									
Disposal/Processing	4,729,014	6,576,683	5,137,696	7,168,400	7,613,000	8,723,761	9,231,239	9,415,863	9,604,180
Landfill Sinking fund	-	-	-	-	-	1,000,000	1,000,000	1,000,000	1,000,000
Subtotal - Disposal/Processing	\$ 4,729,014	\$ 6,576,683	\$ 5,137,696	\$ 7,168,400	\$ 7,613,000	\$ 9,723,761	\$ 10,231,239	\$ 10,415,863	\$ 10,604,180
Overhead									
Repairs to buildings and grounds	-	-	15,443	-	15,752	16,067	16,388	16,716	17,050
Contract Services:									
Billing Services	16,821	50,848	12,443	20,000	15,000	15,000	15,000	15,000	15,000
Landfill Maintenance	158,306	172,842	169,710	875,000	375,000	400,000	400,000	400,000	400,000
Outreach	144,233	556,062	135,797	394,491	402,000	410,000	418,000	426,000	435,000
Recycling Center Operations	55,804	33,829	17,358	185,000	185,000	185,000	205,000	215,000	230,000
Regulatory Compliance	113,690	246,481	203,620	556,548	572,500	572,500	572,500	597,500	612,500
Right-of-Way Cleaning	221,829	302,193	113,291	360,000	375,000	400,000	405,000	420,000	425,000
Temporary Labor	1,083,703	1,644,013	1,351,635	360,000	400,000	400,000	400,000	400,000	400,000
Waste Reduction Programs	80,174	137,416	230,997	405,000	300,000	325,000	350,000	375,000	545,000
Other Contract Services	151,913	48,144	32,082	38,350	39,000	40,000	41,000	42,000	43,000
Subtotal - Contract Services	2,026,473	3,191,828	2,266,933	3,194,389	2,663,500	2,747,500	2,806,500	2,890,500	3,105,500
Advertising	-	-	25,000	-	25,500	26,010	26,530	27,061	27,602
Janitorial Services	981	2,689	1,979	-	-	-	-	-	-
Postage	946	1,143	6,310	4,700	4,794	4,890	4,988	5,087	5,189
Travel	916	-	-	2,000	2,040	2,081	2,122	2,165	2,208
Laundry and towel service	1,493	12,240	14,308	18,500	14,594	14,886	15,184	15,488	15,797
Training	8,547	7,229	10,056	76,500	10,257	10,462	10,672	10,885	11,103
Computer software	685	4,735	3,319	-	3,386	3,453	3,522	3,593	3,665
Regulatory	33,356	28,061	35,421	132,200	36,130	36,852	37,589	38,341	39,108
Membership and dues	5,873	937	1,623	6,000	1,655	1,689	1,722	1,757	1,792
Periodicals and newspapers	-	445	450	-	459	468	478	487	497
Books	-	-	-	-	-	-	-	-	-
Furniture and equipment	2,101	858	12,418	10,000	12,667	12,920	13,178	13,442	13,711
Computer hardware	36,316	-	-	-	-	-	-	-	-
Office supplies	7,442	5,282	8,111	10,000	8,273	8,438	8,607	8,779	8,955
Small tools	-	869	-	1,000	-	-	-	-	-
General supplies	292,042	372,216	89,901	330,000	91,699	93,533	95,404	97,312	99,258
Printing and graphics	-	1,139	2,593	6,000	2,645	2,697	2,751	2,806	2,863
Uncollectable accounts	55,864	84,957	243,345	60,000	248,211	253,176	258,239	263,404	268,672
Business meetings	2,364	555	1,240	1,200	1,265	1,290	1,316	1,343	1,369
Miscellaneous	827	12,408	9,747	3,100	9,942	10,141	10,344	10,551	10,762
Discount earned and lost	-	-	-	-	-	-	-	-	-
Utilities	49,921	47,669	58,012	65,618	59,173	60,356	61,563	62,794	64,050
Rent	-	-	8,114	-	8,277	8,442	8,611	8,783	8,959
Cost allocation charge	789,494	803,711	829,498	896,279	914,205	777,074	792,615	808,468	824,637
ITD service charge	521,078	540,933	581,687	708,445	722,614	614,222	626,506	639,036	651,817
Building maint service charge	78,699	74,029	82,049	78,175	79,739	81,333	82,960	84,619	86,312
GWP municipal billing	481,553	481,553	481,553	481,553	491,184	501,008	511,028	521,248	531,673
Contractual cost reduction	-	(5,926)	-	-	-	-	-	-	-
Electric Vehicles and Infrastructure	-	-	-	-	-	800,000	800,000	800,000	800,000
Street sweeping offset	-	-	-	(221,317)	(474,490)	(230,258)	(234,863)	(330,612)	(244,351)
Transfer to general fund	1,150,000	1,150,000	479,167	-	-	-	-	-	-
Projected Underexpenditures	-	-	-	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Subtotal - Overhead	\$5,546,971	\$6,819,560	\$5,268,277	\$3,864,342	\$2,953,471	\$3,858,730	\$3,963,954	\$4,004,053	\$4,358,198
Total Operating Expenses	\$24,330,336	\$25,680,709	\$20,097,543	\$23,902,866	\$21,997,726	\$24,639,153	\$25,448,064	\$25,872,549	\$26,618,387

Appendix A – Revenue and Expenditure Detail

Description	Actual	Actual	Pre-audited	Projected	Projected	Projected	Projected	Projected	Projected
	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Capital Expenditures									
Asset Capitalization Adjustment	(111,169)								
Subtotal - FY 2022									
Street Sweeper			445,000						
Street Sweeper			388,571						
Automated Sideloader			325,000						
Automated Sideloader			365,000						
Automated Sideloader			365,000						
Automated Sideloader			365,000						
Automated Sideloader			365,000						
Automated Sideloader			365,000						
Automated Sideloader			365,000						
Automated Sideloader			365,000						
Automated Sideloader			365,000						
Automated Sideloader			365,000						
Automated Sideloader			365,000						
2011 Ford F350 Stake Bed with Liftgate			50,000						
Asset Capitalization			(1,503,848)						
Underground Tank Removal			500,000						
Temporary CNG Station			150,000						
Subtotal - FY 2022									
			4,734,723						
Pickup Truck				40,000					
Mini rear loader				225,000					
Mini rear loader				225,000					
Mini Automated Sideloader				380,000					
Containers				350,000					
Subtotal - FY 2023									
				1,220,000					
Street Sweeper					414,578				
Containers					412,531				
Street Sweeper					416,626				
Frontloader					287,524				
Automated Sideloader					412,274				
Automated Sideloader					408,222				
Automated Sideloader					408,222				
Utility Truck					15,345				
Track Loader					106,177				
Containers					2,525,000				
Subtotal - FY 2024									
					5,406,499				

Appendix A – Revenue and Expenditure Detail

Description	Actual	Actual	Pre-audited	Projected	Projected	Projected	Projected	Projected	Projected
	FY 19-20	FY 20-21	Actual FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Automated Sideloader						320,000			
Automated Sideloader						320,000			
						2,525,000			
Subtotal - FY 2025						3,165,000			
Automated Sideloader							434,157		
Refuse-Bin Truck							32,200		
Containers							0		
Subtotal - FY 2026							466,357		
Street Sweeper								455,258	
Street Sweeper								455,258	
Rearloader								390,460	
Rearloader								398,230	
Automated Sideloader								447,182	
Automated Sideloader								447,182	
Automated Sideloader								447,182	
Automated Sideloader								448,289	
Automated Sideloader								449,396	
Automated Sideloader								448,289	
Containers								0	
Subtotal - FY 2027								4,386,726	
Automated Sideloader									468,578
Automated Sideloader									468,578
Rolloff Truck									404,349
Automated Sideloader									464,018
Automated Sideloader									464,018
Automated Sideloader									464,018
Automated Sideloader									464,018
Flatbed Trucks, Single-Axle									87,992
Compact Pickup									34,672
Containers									0
Subtotal - FY 2028									3,320,241
Total Capital Expenditures	(111,169)	0	4,734,723	1,220,000	5,406,499	3,165,000	466,357	4,386,726	3,320,241
Total Expenditures	24,219,167	25,680,709	24,832,266	25,122,866	27,404,225	27,804,153	25,914,421	30,259,275	29,938,628
Total Surplus/(Shortfall)	985,296	(1,924,683)	(7,591,485)	(11,260,969)	(7,038,450)	(3,207,614)	79,472	(2,838,403)	(270,191)