

MEMORANDUM

Date: February 19, 2013

TO: Dave Bullock, Town Manager
FROM: Juan J. Florensa, Public Works Director
SUBJECT: Resolution 2013-08, 2013 Solid Waste, Recyclables and Yard Trash CPI Increase

At the February 19, 2013 Town Commission Workshop Meeting the Town Commission passed on Consent, Resolution 2013-08 providing for the 2013 CPI-U and Fuel Increase requested by Waste Management through their franchise agreement with the Town that was granted by the Town Commission on November 6, 2006 for an exclusive franchise for the collection and disposal of solid waste, yard trash and recyclable materials. This franchise expires on December 31, 2013 unless extended by both parties. The agreement has been codified by the Town through Ordinance 06-24 (attached). Ordinance 06-24, Section 6, Rates, reads in part:

"Franchisee is hereby authorized to charge the following maximum rates as set forth in Exhibit A on a monthly basis. Single family, duplex, triples, and quadplex rates shall be collected by the Town and be paid to the Franchisee by the Town. All other fees and charges shall be collected and paid directly from the customer to the Franchisee.

Such rates are to be maximum rates until April 1, 2007. On that date and each year thereafter throughout the term of this Agreement, the maximum rates shall be adjusted for inflation by using:

- 1) the annual percentage change in the Consumer Price Index ("CPI") applied to the base rate exclusive of the fuel portion, and*
- 2) the diesel fuel annual percentage change from the US Department of Energy "EIA/DOE" website for average prices of diesel fuel for the "Lower Atlantic" United States, applied to the base rate fuel portion only. However, the CPI adjustment shall not exceed a percentage increase of four percent (4%) of the rates in effect prior to the adjustment."*

In support of the January 28, 2013 request for the CPI Based and Fuel Rate Adjustments, Waste Management has provided the following information:

Attachment 1 01-28-13 Letter requesting net rate changes
Attachment 2 Rate Adjustment Summary, Effective April 1, 2013

As reflected in Waste Management's documentation, the increase in the CPI-U for last year was 2.10%.

Please note that the tipping fees and fuel cost components of the rates are not adjusted for CPI-U. Accordingly, applying the 3.178% increase in fuel costs, the net change for

residential service is \$0.33; for commercial service is \$0.13; and for Industrial – roll-off service is \$0.22.

The price of diesel fuel was \$3.93/gallon at the end of 2012 and \$3.81/gallon at the end of 2011 according to the US Department of Energy. This represents a 3.178% increase to the fuel component of the monthly fees or \$0.04 for residential service, \$0.02 for commercial service and \$0.03 for roll-off services.

Therefore, the new monthly rate for residential service would be:

$$\$19.20 \text{ (current base rate)} + \$0.29 \text{ (CPI)} + \$0.04 \text{ (Fuel)} = \$19.53 \text{ (new base rate)}$$

Acting Town Finance Director Sandi Henley has reviewed the documentation submitted and finds it acceptable and consistent with the requirements of Ordinance 06-24.

The Town Commission, in accordance with the provisions of the franchise agreement (Ord. 06-24), must apply the new rates to all residential, commercial and industrial accounts effective April 1, 2013.

As in previous years, staff has drafted Resolution 2013-08 to implement this policy. We have included a copy of Section 6 of the franchise agreement (Ord. 06-24) for your reference.

Longboat Key Utility Customers will see this change on their May 2013 utility bills. This annual increase is provided for and adopted as part of your franchise agreement, Ordinance 06-24. A resolution is forwarded for your consideration in applying the 2013 rate increase.

If you have any questions, please feel free to contact me.

List of Exhibits and Attachments

- Waste Management letter dated February 22, 2011
- Attachments
- Franchise Agreement (Ord. 06-24), Section 6. Rates.
- Letter from Acting Finance Director
- Draft Resolution 2013-08

M E M O R A N D U M

Date: February 6, 2013

TO: Juan Florensa, Public Works Director
FROM: Sandi Henley, Acting Finance Director
SUBJECT: Waste Management Letter Requesting Annual Rate Adjustment for
Solid Waste, Yard Trash and Recycling

I received a copy of the letter dated January 28, 2013 from Waste Management in regard to the annual rate adjustment for solid waste, yard trash and recycling.

Ordinance 06-24 provides for an annual rate adjustment for inflation based upon the annual percentage change in the Consumer Price Index (CPI) (up to a maximum of 4%) applied to the base rate exclusive of the fuel portion and the diesel fuel annual percentage change applied to the base rate fuel portion only.

I have reviewed the documents submitted by Waste Management and find it acceptable and consistent with the requirements of Ordinance 06-24.

Please contact me if you have any questions.



WASTE MANAGEMENT OF MANATEE COUNTY
 6120 21ST STREET EAST
 BRADENTON, FLORIDA 34203
 OFFICE - 941 751 7511
 FAX - 941 755 4854

JANUARY 28, 2013

Public Works Director
 Juan Florensa
 Town of Longboat Key
 600 General Harris Street
 Longboat Key, FL 34228



Re: **RATE ADJUSTMENT**

Dear Juan:

This letter is to advise you that the CPI based adjustment of our service rates will go into effect on April 1, 2013. The increase is pursuant to Ordinance 06-24, Section 6, dated November 6, 2006. In summary, the CPI-U increased by 2.10%, and fuel increased by 3.178%. Based on the calculation method using the constant 90.746%/9.254% CPI/FUEL weighted system, the new rates will be as follows:

Residential	
Existing Monthly Rate	\$ 19.20
New Monthly Rate	\$ 19.53

Commercial	
Existing Yardage Rate - Net of Disposal	\$ 5.70
New Yardage Rate - Net of Disposal	\$ 5.83

Industrial - Roll-off	
Existing Yardage Rate - Net of Disposal	\$ 9.91
New Yardage Rate - Net of Disposal	\$ 10.13

Attached is a detailed list of calculations as well as current and new residential, commercial and roll-off rates. Please feel free to contact me should you have any questions. Thank you.

Sincerely,

Jason White
 District Manager
 WASTE MANAGEMENT OF MANATEE COUNTY

**Town of Longboat Key
Rate Adjustment Summary - Effective April 1, 2013**

Residential		Total Rate
Existing Monthly Rate	\$	19.20
Less MSW Tipping Fee		(\$2.83)
Less YW Tipping Fee		(\$1.16)
Monthly Rate - Net of Disposal	\$	<u>15.21</u>

		Fuel Portion		
Fuel Component Ratio	Net Rate	9.254%	\$	1.41
1. Solid Waste Pickup 2x weekly	\$ 10.92	\$	1.01	
3. Garden Trash Pickup 1x weekly	\$ 1.41	\$	0.13	
5. Curroto Can/Automated Collection	\$ 1.19	\$	0.11	
1. Curbside & Multi Family/unit	\$ 1.69	\$	0.16	

		Fuel Surcharge Amount		
Fuel Surcharge Amount	Fuel Change %	3.178%	\$	0.04
1. Solid Waste Pickup 2x weekly	\$ 1.01	\$	0.03	
3. Garden Trash Pickup 1x weekly	\$ 0.13	\$	-	
5. Curroto Can/Automated Collection	\$ 0.11	\$	-	
1. Curbside & Multi Family/unit	\$ 0.16	\$	0.01	

		CPI Portion		
CPI Rate Component	Net Rate	90.746%	\$	13.80
1. Solid Waste Pickup 2x weekly	\$ 9.91			
3. Garden Trash Pickup 1x weekly	\$ 1.28			
5. Curroto Can/Automated Collection	\$ 1.08			
1. Curbside & Multi Family/unit	\$ 1.53			

		CPI Percentage		
CPI Percentage	CPI Change %	2.10%	\$	0.29
1. Solid Waste Pickup 2x weekly	\$ 9.91	\$	0.21	
3. Garden Trash Pickup 1x weekly	\$ 1.28	\$	0.03	
5. Curroto Can/Automated Collection	\$ 1.08	\$	0.02	
1. Curbside & Multi Family/unit	\$ 1.53	\$	0.03	

New Monthly Rate* \$ 15.54

Existing Monthly Rate - Net of Disposal	\$	15.21
Add Blended MSW Tipping Fee	\$	2.83
Add Blended YW Tipping Fee	\$	1.16
Add Fuel Surcharge Amount	\$	0.04
Add CPI Percentage	\$	0.29
	\$	<u>19.53</u>

Commercial		
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Existing Yardage Rate		\$ 7.46
Less Tipping Fee		\$ 1.76
Existing Yardage Rate - Net of Disposal		\$ 5.70
Fuel Component Ratio	9.254%	\$ 0.53
Fuel Surcharge Amount	3.178%	\$0.02
CPI Rate Component	90.746%	\$ 5.17
CPI Percentage	2.100%	\$ 0.11
New Yardage Rate - Net of Disposal		\$ 5.83
Add Tipping Fee		\$ 1.76
New Yardage Rate		\$7.59

Industrial - Rolloff		
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Existing Yardage Rate - Net of Disposal		\$9.91
Fuel Component Ratio	9.254%	\$ 0.92
Fuel Surcharge Amount	3.178%	\$0.03
CPI Rate Component	90.746%	\$8.99
CPI Percentage	2.100%	\$0.19
New Yardage Rate - Net of Disposal		\$ 10.13

Town of Longboat Key Summary of Rates

Exhibit A												
Solid Waste Rate Matrix - 04-2013												
	Existing Rates		Total Beginning Rate	Less Tipping Fee	Rate Net of Tip Fee	Fuel Component Ratio	Fuel Surcharge Amount	CPI Rate Component	CPI Amount	New Total Rate Including Tip Fee	Pounds/Month	Dec 31 (1967=100) Year Over Year ORD 06-24 Sect 6, Pg 11 Par 2
	Existing Rates	Service Fee										
Total Residential Rates - Blended	19.20									19.53		Dec-12 673.868
A. Residential Service/Month												Increase Factor 1.0210
1. Solid Waste Pickup 2x weekly	13.75	10.92	13.75	2.83	10.92	1.01	0.03	9.91	0.21	13.99	139.67	Dec-11 660.005
2. Non Curbside Solid Waste (svc only)	5.24	5.24	5.24	0.00	5.24	0.48	0.02	4.76	0.10	5.36	139.67	Percent of Increase 2.10%
3. Garden Trash Pickup 1x weekly	2.57	1.41	2.57	1.16	1.41	0.13	0.00	1.28	0.03	2.60	57.33	CPI Urban Wage Earners and Clerical Workers
4. White Goods Pickup/pickup										n/a		
5. Curroto Can/Automated Collection	1.19	1.19	1.19	0.00	1.19	0.11	0.00	1.08	0.02	1.21	n/a	Maximum Percent Of Increase Year over Year 4% ORD 06-24 Sect 6
6. Multi-Family											139.70	
7. Inground Can	17.45	17.45	17.45	0.00	17.45	1.61	0.05	15.84	0.33	17.83	n/a	Max Percent of Increase 4.0%
B. Recycling/Month												
1. Curbside & Multi Family/unit	1.69	1.69	1.69	0.00	1.69	0.16	0.01	1.53	0.03	1.73	n/a	***Longboat Key Residential Customer Rate Based on Blended Manatee County/Sarasota County Disposal Rates
C. Refuse Bin roll-out fee/Month												
Short - Less 15 feet or open gate	18.63	18.63	18.63	0.00	18.63	1.72	0.05	16.91	0.36	19.04	n/a	
Long - More 15 feet	37.22	37.22	37.22	0.00	37.22	3.44	0.11	33.78	0.71	38.04	n/a	
D. Commercial Cans 2x weekly/month												
1a. 32 Gallon Can - Manatee	11.23	9.66	11.23	1.57	9.66	0.89	0.03	8.77	0.18	11.44	87.20	
1b. 65 Gallon Cart - Manatee	14.00	10.81	14.00	3.19	10.81	1.00	0.03	9.81	0.21	14.24	177.13	
1c. 96 Gallon Cart - Manatee	15.65	10.94	15.65	4.71	10.94	1.01	0.03	9.93	0.21	15.89	261.60	
2a. 32 Gallon Can - Sarasota	11.62	9.66	11.62	1.96	9.66	0.89	0.03	8.77	0.18	11.83	87.20	
2b. 65 Gallon Cart - Sarasota	14.29	10.31	14.29	3.98	10.31	0.95	0.03	9.36	0.20	14.52	177.13	
2c. 96 Gallon Cart - Sarasota	16.38	10.50	16.38	5.88	10.50	0.97	0.03	9.53	0.20	16.61	261.60	
HAULING & DISPOSAL - CUBIC YARD RATES												
E. Residential/Commercial Bin												
1A. Uncompacted/cubic yard - Manatee	7.46	5.70	7.46	1.76	5.70	0.53	0.02	5.17	0.11	7.59	98.00	
2A. Compacted/cubic yard - Manatee	11.11	5.82	11.11	5.29	5.82	0.54	0.02	5.28	0.11	11.24	294.00	
1B. Uncompacted/cubic yard - Sarasota	7.91	5.70	7.91	2.21	5.70	0.53	0.02	5.17	0.11	8.04		
2B. Compacted/cubic yard - Sarasota	12.44	5.82	12.44	6.62	5.82	0.54	0.02	5.28	0.11	12.57		
F. Roll Off Containers												
1. Open top lift/cubic yard	9.91	9.91	9.91	0.00	9.91	0.92	0.03	8.99	0.19	10.13	200.00	
2. Compactor/cubic yard	11.50	11.50	11.50	0.00	11.50	1.06	0.03	10.44	0.22	11.76	424.00	
G. Refuse Bin Maintenance/Month												
1) Cubic Yard	43.81	43.81	43.81	0.00	43.81	4.05	0.13	39.76	0.84	44.78		
1.5 Cubic Yard												
2) Cubic Yard	43.81	43.81	43.81	0.00	43.81	4.05	0.13	39.76	0.84	44.78		
3) Cubic Yard	43.81	43.81	43.81	0.00	43.81	4.05	0.13	39.76	0.84	44.78		
4) Cubic Yard	43.81	43.81	43.81	0.00	43.81	4.05	0.13	39.76	0.84	44.78		
5) Cubic Yard	43.81	43.81	43.81	0.00	43.81	4.05	0.13	39.76	0.84	44.78		
6) Cubic Yard	43.81	43.81	43.81	0.00	43.81	4.05	0.13	39.76	0.84	44.78		
8) Cubic Yard	43.81	43.81	43.81	0.00	43.81	4.05	0.13	39.76	0.84	44.78		
H. Roll Off Container Maintenance/Month												
10) Cubic Yard	61.07	61.07	61.07	0.00	61.07	5.65	0.18	55.42	1.16	62.41		
20) Cubic Yard	76.32	76.32	76.32	0.00	76.32	7.06	0.22	69.26	1.45	77.99		
30) Cubic Yard	91.57	91.57	91.57	0.00	91.57	8.47	0.27	83.10	1.75	93.59		
20) Cubic Yard	152.64	152.64	152.64	0.00	152.64	14.13	0.45	138.51	2.91	166.00		
I. Cardboard Pull Charge/Cubic Yard												
J. Recycling Clean-Up Services												
K. Gate Service/Roll Out Fees												
Gate Service	18.39	18.39	18.39	0.00	18.39	1.70	0.05	16.69	0.35	18.79		
Roll Out Fees (Short)	18.39	18.39	18.39	0.00	18.39	1.70	0.05	16.69	0.35	18.79		
Roll Out Fees (Long)	36.74	36.74	36.74	0.00	36.74	3.40	0.11	33.34	0.70	37.55		

**Consumer Price Index - Urban Wage Earners and Clerical
Original Data Value**

Series Id: CWJUR0000AA0

Not Seasonally Adjusted

Area: U.S. city average

Item: All items - old base

Base Period: 1967=100

Years: 2002 to 2012

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2002	515.9	517.5	520.2	523.7	523.6	524.0	524.5	526.0	527.3	528.2	528.4	527.2	523.9	520.8	526.9
2003	529.2	533.7	537.1	535.5	534.3	534.8	535.0	537.1	539.2	538.2	536.7	536.0	535.6	534.1	537.0
2004	538.7	541.7	544.8	546.5	550.2	551.9	550.8	551.0	552.4	555.7	556.3	554.2	549.5	545.6	553.4
2005	554.9	557.9	561.9	566.4	566.0	566.2	568.8	572.3	580.9	581.5	576.1	573.3	566.9	562.2	575.5
2006	577.7	578.6	581.8	587.3	590.5	591.7	593.2	594.6	591.0	586.7	586.1	587.3	587.2	584.6	599.8
2007	588.467	591.403	597.561	602.083	606.643	607.374	606.759	605.267	607.324	608.662	613.287	612.948	603.982	598.922	609.041
2008	615.828	617.345	622.985	627.606	633.830	641.082	644.303	641.155	640.226	632.025	617.472	610.075	628.661	626.446	630.876
2009	612.719	615.719	617.239	619.344	621.875	628.422	627.093	628.970	629.462	630.140	631.491	630.600	624.423	619.220	629.626
2010	633.176	633.105	636.025	637.316	637.809	636.962	637.138	638.052	638.353	639.296	639.673	641.200	637.342	635.732	638.952
2011	644.591	647.969	655.385	660.503	664.113	662.826	663.314	665.221	666.299	664.376	663.692	661.766	660.005	655.898	664.111
2012	664.891	668.171	674.090	676.199	674.973	673.291	671.899	676.329	679.690	679.066	674.958	672.854	673.868	671.936	675.799

Index Change = 13.863

CPI Change = 2.10%

	FUEL Surcharge - Town of Longboat Key					
	Residential, Commercial & Industrial					
	Dept of Energy (DOE) Web Site noted below for Fuel Base and Modifiers:					
	http://nortp.eia.doe.gov/cgi/info/whndp/diesel.asp					
	Index 1C, Lower Atlantic States (Includes Florida)					
	% Fuel Base to Revenue Base (%FBRB)	=TBAFC / TBAR		9.254%		
	2012 Annual Fuel Cost Adjustment % (%AFCA)	=FCM12 / FCMBASE		3.175%		
	2012 Fuel Adj to Revenue Base (10FARB)	=%FBRB X %AFCA		0.294%		
Residential	2012 Fuel Adj Chg in Monthly Revenue (09 FACMR)	=10FARB X RMRB		\$0.04		
Commercial	2012 Fuel Adj Chg in Monthly Revenue (09 FACMR)	=10FARB X CMRB		\$0.02		
Industrial	2012 Fuel Adj Chg in Monthly Revenue (09 FACMR)	=10FARB X IMRB		\$0.03		
	AGREED FUEL ADJUSTMENT BASE/MODIFIERS:					
DOE Web Site	Fuel Cost Modifier for 2012 (FCM08)		\$3.926			
DOE Web Site	Fuel Cost BASE: 2011 (FCMBASE)		\$3.805	BASE FUEL COST		
Contract Rate	MONTHLY REVENUE BASE (RMRB)		\$15.21	Residential: (Exhibit A Rate Matrix Svc)		
Contract Rate	MONTHLY REVENUE BASE (CMRB)		\$5.70	Commercial (Non-Comp): (Exhibit A Rate Matrix Svc)		
Contract Rate	MONTHLY REVENUE BASE (IMRB)		\$9.91	Industrial (Non-Comp): (Exhibit A Rate Matrix Svc)		
WIM Fuel Cost	TOTAL BASE ANNUAL FUEL COST (TBAFC)		\$1,952,712			
Manatee Net Revenue	TOTAL BASE ANNUAL REVENUE (TBAR)		\$21,101,643			
	<p>Note: The base fuel cost is 9.25% of the total revenue base. Annual CPI is applied only to the NON-fuel revenue base, or the remaining 90.75% of each revenue base.</p>					

[Back to Contents](#) **Data 2: M Diesel Prices - All Types**

Sourcekey	EMD_EPD2D_PTE_R1Z	
	_DPG	
	Lower Atlantic	
	(PADD 1C) No 2	
	Diesel Retail Sales	
	by All Sellers	
Date	(Dollars per Gallon)	
Jan-2009	2.297	
Feb-2009	2.171	
Mar-2009	2.074	
Apr-2009	2.194	
May-2009	2.201	
Jun-2009	2.505	
Jul-2009	2.507	
Aug-2009	2.621	
Sep-2009	2.583	
Oct-2009	2.63	
Nov-2009	2.781	
Dec-2009	2.709	2.438
Jan-2010	2.832	
Feb-2010	2.777	
Mar-2010	2.891	
Apr-2010	3.02	
May-2010	3.03	
Jun-2010	2.912	
Jul-2010	2.875	
Aug-2010	2.918	
Sep-2010	2.895	
Oct-2010	2.997	
Nov-2010	3.084	
Dec-2010	3.196	2.952
Jan-2011	3.371	
Feb-2011	3.571	
Mar-2011	3.876	
Apr-2011	4.009	
May-2011	3.991	
Jun-2011	3.89	
Jul-2011	3.884	
Aug-2011	3.837	
Sep-2011	3.797	
Oct-2011	3.749	
Nov-2011	3.881	
Dec-2011	3.807	3.805
Jan-2012	3.824	
Feb-2012	3.951	
Mar-2012	4.102	
Apr-2012	4.079	
May-2012	3.94	
Jun-2012	3.899	
Jul-2012	3.686	
Aug-2012	3.918	
Sep-2012	4.043	
Oct-2012	3.997	
Nov-2012	3.937	
Dec-2012	3.938	3.926

within five (5) feet of the street curb and shall have unobstructed access from the street. Franchisee and the customer may mutually agree to other than curbside service (i.e., rear door, underground, driveway or other location) in which event the rates shall be as described in Exhibit "A". However, residential customers who are physically incapacitated and unable to transport materials to curbside may apply for and receive rear door service at the curbside rate. Applicants for such service shall present, either in person or by mail, medical proof of such physical disabilities to the Town and the Town shall notify Franchisee upon the granting of any such application.

Collection services shall be performed with minimal disruption of vehicular traffic in accordance with rules and regulations adopted by the Town. New types of collection vehicles shall not be utilized if disruption of vehicular traffic is substantially increased.

In case of a missed pick-up reported by the Town or a customer, Franchisee shall collect the materials within 24 hours of verbal notification.

Section 6: Rates. Franchisee is hereby authorized to charge the following maximum rates as set forth in Exhibit A on a monthly basis. Single family, duplex, triplex, and quadplex rates shall be collected by the Town and be paid to the Franchisee by the Town. All other fees and charges shall be collected and paid directly from the customer to the Franchisee.

Such rates are to be maximum rates until April 1, 2007. On that date and each year thereafter throughout the term of this Agreement, the maximum rates shall be adjusted for inflation by using: 1) the annual percentage change in the Consumer Price

Index ("CPI") applied to the base rate exclusive of the fuel portion, and 2) the diesel fuel annual percentage change from the US Department of Energy "EIA/DOE" website for average prices of diesel fuel for the "Lower Atlantic" United States, applied to the base rate fuel portion only. However, the CPI adjustment shall not exceed a percentage increase of four percent (4%) of the rates in effect prior to the adjustment.

The CPI, as used herein, shall be the revised Consumer Price Index for Urban Wage Earners and Clerical Workers, for all items – U.S. City Average, published by the Bureau of Labor statistics, U.S. Department of Labor. In determining the adjustment, the parties shall multiply the percentage change in the CPI for the twelve (12) month period ending December 31st, 2007 and each December 31st thereafter times the non-fuel rate base for the previous year. In the event the U.S. Department of Labor, Bureau of Labor Statistics, ceases to publish the CPI, the parties hereto agree to substitute another equally authoritative measure of change in the purchasing power of the U.S. Dollar as may be available so as to carry out the intent of this provision.

The Fuel Portion of the base rate is calculated by dividing the 2006 actual diesel fuel cost by the 2006 annual revenue for WM of Manatee County as audited by a Certified Public Accountant.

In determining the adjustment, the parties shall multiply the percentage change in the Price of Diesel Fuel for the twelve (12) month period ending December 31st, 2007, and each December 31st thereafter times the fuel base rate for the previous year.

The price of diesel comes from the "EIA/DOE" website of <http://tonto.eia.doe.gov/oog/info/wohdp/diesel.asp>. An example of the calculations for the fuel base rate, and the application of the Price of Diesel year-to-year change is provided in Exhibit B.

The specific methodology for the annual adjustment in rates is outlined as follows:

RESIDENTIAL RATE CALCULATION

There are four components included in residential billing rate (in the example this is \$15.02) and annual rate changes are calculated differently for each:

1. Base Solid Waste Rate (\$10.26 in the example)
2. Fuel Component (\$1.11 in the example)
3. Solid Waste Tipping Fees (\$2.58 in the example)
4. Yard Waste Tipping Fees (\$1.07 in the example)

A. To calculate a cost-of-living adjustment on the base waste rate the other three components must be removed. This is accomplished in two steps.

Step 1. Solid Waste Tipping fees and Yard Waste Tipping Fees—To remove Tipping Fees look up their rates on the Solid Waste Rate Matrix and subtract them from the existing residential billing rate (to yield \$11.37 in the example).

Step 2. Fuel Component—From the results of removing the tipping fees, above, the fuel component is removed. The fuel component is the ratio of the Waste Management's total fuel cost for the year ended 12/31/06 compared to 12/31/06 total

revenue. This percentage is established by Waste Management's independent auditors and remains constant through the term of this agreement (in the example 9.755% is used). Multiply this fuel percentage by the base solid waste rate (\$11.37 in the example) to find the fuel component (\$1.11 in the example). Subtract the fuel component from the base solid waste rate to obtain the portion of the solid waste portion subject to the CPI-U adjustment (\$10.26).

To compute the base solid waste rate change consult the CPI-U index for the trailing 12 months ending each December 31st. (3.0% in the example) Applying this index to the base solid waste rate will yield the base solid waste rate adjustment (\$.24 in the example).

B. Calculate a cost-of-living adjustment on the fuel component—The fuel component is subject to an annual adjustment based on the Department of Energy EIA/DOE fuel index.

Calculate the percentage increase of the trailing 12 months ended December 31st. (21.665% in the example). Apply this percentage to the fuel component to yield the fuel rate adjustment (\$.31 in the example).

Thus, to determine the new billing rate start from the current billing rate (\$15.02) and add the calculated fuel component rate increase (\$.24) and the solid waste component rate increase of (\$.31) to yield the new rate (\$15.57 in the example).

COMMERCIAL RATE CALCULATION

From the existing Commercial Service Fee Rate found in the Solid Waste Rate Matrix (\$4.65 in the example) compute the fuel component by applying the ratio defined earlier (9.755% in the example). This results to \$.45. Calculate the fuel component adjustment in the same manner as defined earlier (\$.45 times 21.667% to yield \$.10 in the example).

Next, subtract the \$.45 from the existing rate to yield the amount subject to the CPI adjustment (\$4.20 in the example). Calculate the CPI adjustment as defined earlier (\$.13 in the example).

Thus, to determine the new Commercial Service Fee Rate start from the current billing rate (\$4.65) and add the calculated fuel component rate increase (\$.13) and the solid waste component rate increase of (\$.10) to yield the new rate (\$4.88 in the example).

INDUSTRIAL RATE CALCULATION

From the existing Industrial Service Fee Rate found in the Solid Waste Rate Matrix (\$8.03 in the example) compute the fuel component by applying the ratio defined earlier (9.755% in the example). This results to \$.78. Calculate the fuel component adjustment in the same manner as defined earlier (\$.78 times 21.667% to yield \$.17 in the example).

Next, subtract the \$.78 from the existing rate to yield the amount subject to the CPI adjustment (\$7.25 in the example). Calculate the CPI adjustment as defined earlier (\$.22 in the example).

Thus, to determine the new Industrial Service Fee Rate start from the current billing rate (\$8.03) and add the calculated fuel component rate increase (\$.17) and the solid waste component rate increase of (\$.22) to yield the new rate (\$8.42 in the example).

Fees and rates which the Town and customers are obligated to pay under the terms of this franchise are for an entire year regardless of the occupancy or lack thereof of any resident, except as set forth in the attached rate schedule.

The rate schedule attached hereto as Exhibit "A" may be amended by action of the Town Commission without any requirement that the text of this ordinance be amended.

Section 7: Pass-Through Charges. Any increase in any fee currently charged by Manatee County or Sarasota County as a result of Franchisee's use of their respective Landfills or imposed by any governmental authority on the Franchisee, which is a sum imposed solely upon the Town's Recyclable Materials, Yard Trash, or Solid Waste disposal, may be apportioned upon the customers under this Franchise Agreement without resort to the Town Commission's permission to increase the Franchisee's rates, provided, however, such fee must be ratably and proportionately assessed against all of Franchisee's customers within this franchise district.

RESOLUTION 2013-08

A RESOLUTION OF THE TOWN OF LONGBOAT KEY, FLORIDA, APPLYING CONSUMERS PRICE INDEX (CPI) AND FUEL COST INCREASES IN SOLID WASTE, RECYCLABLE MATERIALS, AND YARD WASTE BASE RATES AS PROVIDED IN ORDINANCE 06-24, SECTION 6 RATES; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Longboat Key provides collection and disposal services for solid waste, recyclable materials and yard trash throughout the corporate limits of the Town; and

WHEREAS, these services are provided through a franchise agreement between the Town and Waste Management of Florida, Inc., adopted on November 6, 2006, in Ordinance 06-24; and

WHEREAS, Ordinance 06-24, Section 6, Rates and Exhibit A of said Ordinance set forth maximum monthly rates for single family, duplex, triplex, and quadplex rates collected by the Town and paid to the Franchisee by the Town; and

WHEREAS, Ordinance 06-24, Section 6, Rates provides for the maximum rates to be adjusted annually for inflation beginning April 1, 2013.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION OF THE TOWN OF LONGBOAT KEY, FLORIDA, THAT:

SECTION 1. The Town Commission authorizes an annual inflation adjustment for the collection and disposal of solid waste, yard trash and recyclable materials calculated in accordance with Ordinance 06-24, §6 Rates, based upon the annual percentage change in the Consumer Price Index – Urban Wage Earners and Clerical Workers (CPI-U) applied to the base rate exclusive of the fuel portion, and the diesel fuel annual percentage change from the US Department of Energy, as attached in Exhibit A. This annual inflation adjustment results in a net change for base rates from \$19.20 to \$19.53.

SECTION 2. This Resolution shall take effect on April 1, 2013.

PASSED by the Town Commission of the Town of Longboat Key, Florida the ____ day of _____ 2013.

ATTEST:

James L. Brown, Mayor

Trish Granger, Town Clerk

Resolution 2013-08 - Exhibit A Solid Waste Rate Matrix - 2014-15												
	Existing Rates		Total Beginning Rate	Less: Tipping Fee	Rate Net of Tip Fee	Fuel Component Rate	Fuel Surcharge Amount	CPI Rate Component	CPI Amount	New Total Rate Including Tip Fee	Pounds/Month	Dec-11 (1987=100) Year Over Year ORD 06-24 Sect 6, Pg 11 Part 2
	Existing Rates	Service Fee										
7. Total Residential Rates - Banded												
	19.20									19.55		Dec-12 673,858
A. Residential Services/Month												
1. Solid Waste Pickup 2x weekly	13.75	10.92	13.75	2.83	10.92	1.51	0.23	0.91	0.21	13.58	135.67	Increase Factor 1.02%
2. Non Curbside Solid Waste (w/curb)	5.24	5.24	5.24	0.00	5.24	0.48	0.02	4.76	0.40	5.56	135.67	Dec-11 660,305
3. Garden Trash Pickup 1x weekly	2.57	1.41	2.57	1.16	1.41	0.13	0.00	1.38	0.03	2.60	87.33	Percent of Increase 2.10%
4. White Goods Pickup/haul										n/a		CPI Over Wage Earners and Clerical Workers
5. Curbside Can/Automated Collection	1.19	1.19	1.19	0.00	1.19	0.11	0.00	1.08	0.02	1.21	n/a	Minimum Percent Of Increase Year over Year 4% ORD 06-24 Sect 6
7. Inground Can	17.45	17.45	17.45	0.00	17.45	1.51	0.03	15.94	0.23	17.83	n/a	Max Percent of Increase 4.0%
B. Recycling/Month												
1. Curbside & Multi Family/Unit	1.69	1.69	1.69	0.00	1.69	0.15	0.01	1.53	0.03	1.73	n/a	
C. Refuse Bin/roll (w/curb) Month												
Short - Less 15 feet on open gate	18.63	18.63	18.63	0.00	18.63	1.72	0.08	16.91	0.26	19.04	n/a	*Longboat Key Residential Customer Rate Based on Priced Market County/Sarasota County Disposal Rates
Long - More 15 feet	37.22	37.22	37.22	0.00	37.22	3.44	0.11	33.78	0.71	38.04	n/a	
D. Commercial Cans 2x weekly/month												
1a. 32 Gallon Can - Manatee	11.23	9.66	11.23	1.97	9.66	0.88	0.03	8.77	0.18	11.44	87.20	
1b. 66 Gallon Can - Manatee	14.00	10.81	14.00	3.19	10.81	1.02	0.03	9.81	0.21	14.24	177.13	
1c. 96 Gallon Can - Manatee	15.65	10.94	15.65	4.71	10.94	1.51	0.03	9.43	0.21	15.69	261.60	
2a. 32 Gallon Can - Sarasota	11.62	9.66	11.62	1.96	9.66	0.88	0.03	8.77	0.18	11.63	87.20	
2b. 66 Gallon Can - Sarasota	14.29	10.31	14.29	3.98	10.31	0.95	0.03	9.36	0.20	14.50	177.13	
2c. 96 Gallon Can - Sarasota	15.38	10.80	15.38	4.58	10.80	0.97	0.03	9.83	0.20	16.61	261.60	
HALLING & DISPOSAL - CURB YARD RATES:												
E. Residential/Commercial Bin												
1A. Uncompacted/cubic yard - Manatee	7.46	5.70	7.46	1.76	5.70	0.53	0.02	5.17	0.11	7.58	88.00	
2A. Compacted/cubic yard - Manatee	11.11	5.62	11.11	5.25	5.82	0.54	0.02	5.28	0.11	11.24	354.00	
1B. Uncompacted/cubic yard - Sarasota	7.91	5.70	7.91	2.21	5.70	0.53	0.02	5.17	0.11	8.04		
2B. Compacted/cubic yard - Sarasota	12.44	5.62	12.44	6.62	5.82	0.54	0.02	5.28	0.11	12.67		
F. Roll Off Containers												
1. Open top 10 cubic yard	9.91	9.91	9.91	0.00	9.91	0.92	0.03	8.99	0.19	10.13	200.00	
2. Compacted/cubic yard	11.50	11.50	11.50	0.00	11.50	1.08	0.03	10.44	0.22	11.76	404.00	
G. Refuse Bin Maintenance/Month												
1 Cubic Yard	43.81	43.81	43.81	0.00	43.81	4.25	0.13	39.56	0.84	44.78		
2 Cubic Yard	43.81	43.81	43.81	0.00	43.81	4.25	0.13	39.56	0.84	44.78		
3 Cubic Yard	43.81	43.81	43.81	0.00	43.81	4.25	0.13	39.56	0.84	44.78		
4 Cubic Yard	43.81	43.81	43.81	0.00	43.81	4.25	0.13	39.56	0.84	44.78		
5 Cubic Yard	43.81	43.81	43.81	0.00	43.81	4.25	0.13	39.56	0.84	44.78		
6 Cubic Yard	43.81	43.81	43.81	0.00	43.81	4.25	0.13	39.56	0.84	44.78		
7 Cubic Yard	43.81	43.81	43.81	0.00	43.81	4.25	0.13	39.56	0.84	44.78		
H. Roll Off Container Maintenance/Month												
10 Cubic Yard	61.07	61.07	61.07	0.00	61.07	5.65	0.16	55.42	1.49	62.41		
20 Cubic Yard	76.32	76.32	76.32	0.00	76.32	7.26	0.22	69.06	1.43	77.93		
30 Cubic Yard	91.57	91.57	91.57	0.00	91.57	8.47	0.27	83.10	1.75	93.59		
20 Cubic Yard	152.64	152.64	152.64	0.00	152.64	14.13	0.48	138.51	2.91	156.00		
I. Curbside Pull Change/Cubic Yard												
J. Recycling Clean-Up Services												
K. Gate Service/Roll Off Fees												
Gate Service	18.30	18.30	18.30	0.00	18.30	1.73	0.05	16.58	0.35	18.79		
Roll Off Fees (Short)	18.30	18.30	18.30	0.00	18.30	1.73	0.05	16.58	0.35	18.79		
Roll Off Fees (Long)	36.74	36.74	36.74	0.00	36.74	3.45	0.11	33.29	0.70	37.55		



End of Agenda Item