

## M E M O R A N D U M

**To:** Tom Harmer, Town Manager  
**From:** Isaac Brownman, Public Works Director  
**Report date:** April 26, 2021  
**Meeting date:** May 3, 2021  
**Subject:** Ordinance 2021-04, Amending Ordinance 2014-21, Providing for Amendment and Renewal of the Town's Solid Waste Franchise Agreement through June 30, 2024

### **Recommended Action**

Forward Ordinance 2021-04 to the June 7, 2021 Regular Meeting for second reading and public hearing.

### **Background**

The Town's Solid Waste, including yard waste and recyclables, are serviced through a franchise agreement with Waste Management, Inc. This agreement has been in place since June 30, 2014 and has a six (6) year base term. The agreement expires on June 30, 2021, but has two (2) additional, optional renewal terms of three (3) years each.

Public Works staff manages the contract on behalf of the Town and is pleased with Waste Management, Inc. service and responsiveness. In addition, the 2021 Citizen's Satisfaction Survey yielded a 93% satisfaction rating with solid waste services.

As part of the negotiation process to determine if both the Town and Waste Management, Inc. would like to entertain the first optional contract renewal, Waste Management brought to the Town's attention changes in law that have had an effect on the recycling industry in North America. In short, in order to maintain recyclable service as a sustainable, going concern, Waste Management is requesting a rate increase to the residential recycling portion of the agreement over the course of the optional three (3) year renewal term. Waste Management documented the industry trends impacted due to the changes in law, both abroad and in Florida. These justifications were provided in letters from Waste Management to the Town dated December 17, 2020 and February 5, 2021.

Additionally, as part of the amendment and renewal process, a change in Florida law via House Bill 73 necessitated the inclusion of language related to contaminated recyclables that is also been included in the amended contract. Town Attorney review also yielded updates to the public records law and contacts Sections, as well as adding an E-Verify portion to the agreement.

Therefore, as part of this amendment and renewal, the above referenced contract language modifications have been, and Waste Management is requesting a pro-rated rate increase to the residential recycling portion of the rate to be enacted each year over

the three (3) renewal period. The total monthly recycling rate increase proposed for each unit serviced is \$4.76, but will be spread out over the three (3) year renewal period, which equates to approximately an additional \$1.59 per year cumulative over three years.

A residential customer on Longboat Key currently pays the following CPI/Fuel Adjusted rates per month:

Two-days per week Solid Waste Collection & Disposal	\$10.23
One-day per week Recycling Collection	\$ 2.72
<u>One-day per week Yard Trash Collection &amp; Disposal</u>	<u>\$ 2.90</u>
	\$15.85

As noted above, the current one-day per week residential recycling service rate is \$2.72 per unit per month. Upon renewal, the proposed recycling rates with the approximately \$1.59 added per year would be as follows:

- July 1, 2021 \$4.30
- July 1, 2022 \$5.89
- July 1, 2023 \$7.48

All other rates, terms and conditions of the agreement and amending resolutions since 2014 remain in effect.

**Staff Recommendation**

Forward Ordinance 2021-04 to the June 7, 2021 Regular Meeting for second reading and public hearing.

**Attachments**

- A. PowerPoint Presentation (Available from Town Clerk’s Office)
- B. Ordinance 2021-04 (Available from Town Clerk’s Office)
- C. First Amendment to Franchise Agreement for Solid Waste Services (Available from Town Clerk’s Office)
- D. Waste Management, Inc. - Letter dated December 17, 2020 (Available from Town Clerk’s Office)
- E. Waste Management, Inc. – Letter dated February 5, 2021 (Available from Town Clerk’s Office)

**End of Agenda Item**