

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

**To:** Tom Harmer, Town Manager  
**From:** Isaac Brownman, Public Works Director  
**Report date:** June 21, 2021  
**Meeting date:** July 2, 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**

Approve Ordinance 2021-04.

### **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 seven (7) 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, which indicates our citizens are also highly satisfied.

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 single-family residential and multi-family commercial recycling elements of the agreement over the course of the optional three (3) year renewal term. Waste Management documented the industry trend impacts due to the changes in law, both abroad and in Florida. These justifications were provided in an updated letter from Waste Management to the Town dated May 12, 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 has 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 made, and Waste Management is requesting a rate

increase to the recycling portion of the rate for single-family residential and multi-family commercial components of the rates. The total monthly recycling rate increase proposed for each unit serviced is \$1.03.

The Town and Waste Management negotiated a pro-rated increase to the per month recycling rate to occur over the three (3) year renewal period. Therefore, the monthly unit rate increase would be \$0.34, \$0.34, and \$0.35 per year, respectively.

Upon renewal, the proposed monthly recycling rates would be as follows:

- Current Rate
  - Single-Family \$2.72
  - Multi-Family \$1.99
- August 1, 2021
  - Single-Family \$3.06
  - Multi-Family \$2.33
- July 1, 2022
  - Single-Family \$3.40
  - Multi-Family \$2.67
- July 1, 2023
  - Single-Family \$3.75
  - Multi-Family \$3.02

Other than the rates and additional language noted above, all other rates, terms and conditions of the agreement and amending resolutions since 2014, will remain in effect. No CPI/Fuel increase is proposed for this year.

The renewal period begins July 1, 2021 and continues through June 30, 2024. The new rates for the first-year will go into effect on August 1, 2021, and then will continue under the normal Master Contract timeframes starting July 1 every year thereafter, until the contract renewal period expires June 30, 2024.

### **Staff Recommendation**

Approve Ordinance 2021-04.

### **Attachments**

- A. Ordinance 2021-04 (Available from Town Clerk's Office)
- B. Waste Management, Inc. – Letter dated May 12, 2021 (Available from Town Clerk's Office)

**End of Agenda Item**