

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

**TO:** Tom Harmer, Town Manager  
**FROM:** Isaac Brownman, Public Works Director  
**REPORT DATE:** June 23, 2022  
**MEETING DATE:** July 1, 2022  
**SUBJECT:** Resolution 2022-10, Solid Waste Franchise Agreement, Annual Service Rate Adjustment

### **Recommended Action**

Pass Resolution 2022-10.

### **Background**

The Town of Longboat Key shares a Solid Waste Franchise Agreement with Waste Management, Inc., of Florida for the collection and disposal of solid waste, yard trash, and residential recyclable materials. The current agreement term runs from July 1, 2021, terminating June 30, 2024.

Pursuant to the Agreement, Waste Management can request an annual adjustment to the collection fee components of the service using a prescribed Consumer Price Index (CPI) and formula provided for within the agreement. Such adjustments are effective beginning July 1 of every year and calculated annually thereafter, during the term of the Agreement. Any CPI adjustment and fuel increase based on that formula is capped at 4% each year. In addition, the terms of the Agreement provide that the Solid Waste disposal components of the service rates and yard trash processing shall be adjusted if and when the tipping fee charged at the Designated Facility for the Town's solid waste changes.

This year, due to the extraordinary labor, material, and fuel inflationary environment coupled with ongoing supply chain challenges, Waste Management has requested a total 10.01% CPI/Fuel increase. Four percent (4%) of this increase would fall under the current contract terms. The additional 6.01% is being considered under a proposed one (1) year Resolution.

Adjusted rates are included in the agenda documents.

Resolution 2022-10 is presented at the July 1, 2022 Regular Meeting for public hearing for the required annual rate adjustment, four percent (4%) of which is consistent with the terms of the Solid Waste Franchise Agreement, and 6.01% percent is in recognition of the current, extraordinary economic situation. Following public hearing, and upon approval, the new rates would take effect August 1, 2022.

### **Staff Recommendation**

Pass Resolution 2022-10.

### **Attachments**

- A. Resolution 2022-10 (Available in Town Clerk's Office)
- B. Waste Management 2022 Rate Adjustment Package (Available in Town Clerk's Office)

**End of Agenda Item**