



SOLID WASTE RATE AMENDMENT

DS-21-095

July 17, 2021

Background

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- ❑ No rate increases since 2015
- ❑ Residential rates have been subsidizing commercial rates
- ❑ Code enforcement cleanups and mowing not currently covered by General Fund

Study Data

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- Fund Balances
- FY 2020 Actuals
- FY 2021 Budget and Projections
- Hiring Projections
- 10-Year Capital/Vehicle Replacement Programs
- Historical Tonnages, Customer Accounts

Revenue Sufficiency Analysis

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Cash Flow Model If...

Cash In > Cash Out

Cash Flow Surplus

Fund Balance Increases

Sustainable

Cash In < Cash Out

▶ Cash Flow Deficit

▶ Fund Balance Decreases

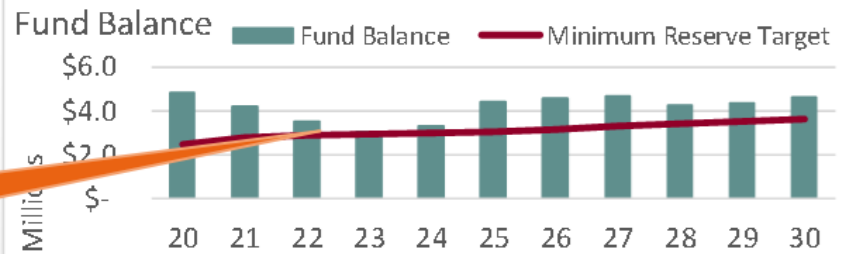
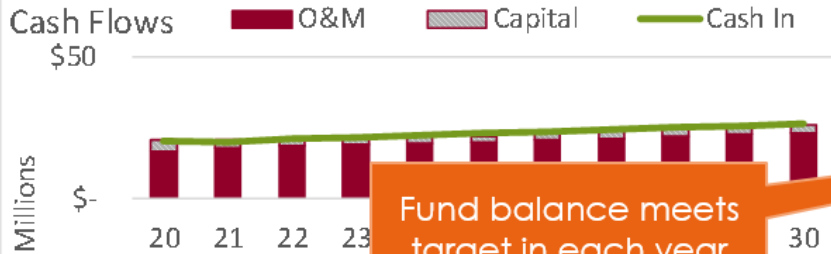
Not Sustainable

Phased Rates by Customer Class

3 years of rate increases by customer type

Killeen, Texas Solid Waste Revenue Sufficiency Analysis

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenue Adjustment	\$0.00	\$0.00	\$0.56	\$0.61	\$0.67	\$0.34	\$0.35	\$0.36	\$0.37	\$0.38	\$0.39
Residential Rate (96 Gallon)	\$19.78	\$19.78	\$19.78	\$19.78	\$19.78	\$20.08	\$20.38	\$20.68	\$20.99	\$21.31	\$21.63
Commercial 2 CY 1 PU	\$78.00	\$78.72	\$85.02	\$91.82	\$99.16	\$100.65	\$102.16	\$103.69	\$105.25	\$106.83	\$108.43
Tip Fee (per 100 lbs)	\$3.00	\$3.00	\$3.12	\$3.24	\$3.37	\$3.43	\$3.48	\$3.53	\$3.58	\$3.64	\$3.69
Residential (Can) Rate Increase	0.00%	0.00%	0.00%	0.00%	0.00%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Commercial Rate Increase	0.00%	0.00%	8.00%	8.00%	8.00%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Tip Fee Increase	0.00%	0.00%	4.00%	4.00%	4.00%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%



Fund balance meets target in each year

Residential Rate Survey

96 Gallon, 1X Weekly Service

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Residential Collection Rate Increases by Entity

Amarillo	\$37.00
Denton	\$25.04
Mesquite	\$22.25
Garland	\$21.00
Round Rock	\$20.97
Copperas Cove	\$19.83
Killeen	\$19.78
Baumont	\$19.75
Harker Heights	\$18.88
Temple	\$18.45
Odessa	\$18.25
Abilene	\$18.11
Lubbock	\$17.00
Grand Prairie	\$16.57
Waco	\$16.10
Belton	\$15.61

Notes:

- FY 2021 survey does not include any proposed increases for FY 2022
- City rates include bulk/brush, etc.

Dumpster Rate Survey

2 Cubic Yard, 1X Weekly Service

Dumpster Collection Rate Increases by Entity

Denton *	\$104.64	City provided
Copperas Cove ♦	\$86.03	Optional – City or Vendor provided
Killeen - Proposed ♦	\$85.02	City provided
Grand Prairie *	\$80.64	Optional – City or Vendor provided
Killeen - Current ♦	\$78.72	City provided
Lubbock	\$67.04	Vendor provided
Garland ♦	\$58.17	Optional – City or Vendor provided
Temple *	\$57.65	City provided
Mesquite ♦	\$48.32	Vendor provided
Abilene *	\$44.83	City provided

* City-owned landfill

♦ Transfer Station

Notes:

- FY 2021 survey does not include any proposed increases for FY 2022
- City rates include bulk/brush, etc.

Study Conclusions

- ❑ Revenues not sufficient to fund expenses without annual increases
- ❑ City should pay for code enforcement cleanups and mowing
- ❑ Need to update transfer station tipping fees and miscellaneous charges

Alternatives

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- Direct staff to reduce revenues and expenses in proposed budget to not include a solid waste rate increase
 - ▣ Remove \$561,451 by replacing less refuse equipment and/or removing the additional residential crew
- Direct staff to prepare an ordinance to update solid waste rates

Recommendation

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- Direct staff to prepare an ordinance to update solid waste rates based on the recommended rates