

FY24 Recommended Budget Solid Waste Fees

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Presentation Overview

- Solid Waste Fund Guiding Principles
- Solid Waste Fund Net Position
- FY24 Recommended Fees
 - Overloaded Carts and Loose Bags
 - Environmental Collection Center (ECC)
 - Non-GOP Landfill Surcharge
 - GOP Landfill Surcharge New
- Outreach plans
- Next Steps







Strategic Vision Priorities

Quality of Life



Economic

Development and

Community

Investment



Community Safety





Infrastructure,
Responsible
Growth and
Fiscal
Responsibility





Solid Waste Fund Guiding Principles



Revenue/Expense Balance: Build service-fund alignment and equity across all landfill uses (e.g., residential/commercial accounts, construction/demolition waste, non-city waste).



Landfill Preservation: Maximize life of the landfill (project less than 15 years).



<u>Residential Rate Protection</u>: Exhaust potential revenue options before pursuing residential rate adjustments.



<u>Fund Solvency</u>: Solid Waste Fund long term sustainability and fiscal stewardship to ensure programmatic and funding structures are in place for future needs (i.e., capital reserve for future landfill, future costs of disposal).



Overloaded Carts & Loose Bags

Item	Number of Annual Violations	Current Fee	Proposed Fee
Loose Bags	4,968 Bags	\$10.00/Bag	\$3.00/Bag
Overfilled Cart	46,620 Carts	Citation	\$6.00/Cart

- Fees are not new proposal passes along a savings in SMART Truck Technology for over-filled carts and loose bags.
- Instead of issuing citations and court appearances, residents are billed for over-filled carts or loose bags.
- Residents can protest directly to the Solid Waste or to the City's Hearings Officer if they do not agree with the finding by Solid Waste.
- SMART truck video links are used to review cases with residents.

· Benefit of Implementing

- Enables the contractor to empty over-filled carts and to dispose of loose bags at time of collection, then bill the City; which will result in a cleaner city.
- Implemented fees will cover the City's expense from the contractor for these services.



Environmental Collection Center (ECC)

- Provides an essential service for Fort Worth and surrounding municipalities
 - Collecting, recycling/consolidating, and disposing of Household Hazardous Waste (HHW)
 - 51 customer cities
 - Supports compliance with various regulations
- Operational and material costs have continued to increase since 2019
- Household Hazardous Waste disposal rates:
 - ECC services for Fort Worth residential solid waste accounts are included in monthly service charges
 - Customer city household waste disposal rates will increase from \$50 to \$95* per household
- Solid Waste actively communicated this change to participating cities.



Non-GOP Landfill Surcharge

- Grant of Privilege (GOP) haulers are City permitted haulers who collect commercial solid waste in CoFW and pay the City 10% of their gross hauling receipts. All other haulers are Non-GOP.
- Recommendation established by Solid Waste Financial & Operational review conducted by Burns and McDonnell in FY19.
- Currently \$5.00 per ton surcharge for Non-GOP haulers (implemented in FY21)
- Recommend increase to \$10.00 per ton in FY24
 - Re-evaluate fees on an annual basis to ensure fees are increased as needed to contribute to the Solid Waste budget
- Fee increase aligns with guiding principles of:
 - Fund Solvency
 - Landfill Preservation





GOP Landfill Surcharge – New

- Surcharge recommendations established by Solid Waste Financial & Operational review conducted by Burns and McDonnell in FY19
- Recommendation included instituting a surcharge for GOP and Non-GOP haulers
 - Non-GOP surcharge was implemented in FY21
 - FY24 budget included pursuing the GOP Landfill surcharge; to be implemented January 1, 2024
- Recommend a \$5.00 per ton GOP Landfill surcharge
 - Reevaluate fees on an annual basis to ensure fees are increased as needed to contribute to the Solid Waste budget
- Fee increase aligns with guiding principles of:
 - Fund Solvency
 - Landfill Preservation



GOP and Non- GOP Impact of Surcharge

- GOP haulers
 - Have contracted rates with Republic for disposal at SELF. The City does not have access to their rates.
 - These rates may vary based upon tonnage volume.
 - For example, a GOP hauler with more volume may get a more favorable per ton rate than a GOP hauler that brings in less volume. GOP haulers may pass on the surcharge to their commercial customer base.
- Non-GOP/Cash customers
 - Pay the current gate rate of \$51.97 per ton with a 2-ton minimum.
 - The surcharge is based on the actual tonnage brought in, not the two ton minimum.
 - For example, a Non-GOP hauler brings in a 1 ton load. They are charged the 2 ton minimum \$103.94 plus the current \$5 per ton surcharge for a total bill of \$108.94. It would increase to \$118.94 with the \$5.00 increase.



New Revenues & Impact on the Solid Waste Fund

FY24 Year End Projected Fund Balance without New Fees	\$ 38,431,237
 FY24 Projected Year-End Revenues Overloaded carts – (9 months) Loose Bags (9 months) ECC increases (12 months) Non-GOP landfill surcharge (9 months) GOP landfill surcharge (9 months) 	\$ 209,790 \$ 11,178 \$ 550,000 \$ 174,159 \$ 731,982
FY24 Updated Projected Year-End Fund Balance with new revenues included	\$ 40,108,346

 FY24 Solid Waste Fund balance meets the minimum 25% fund balance reserve requirement



Additional Revenues Summary

Revenue Item	Full Year	9 Months (If Implemented Jan 1)
Overloaded Carts	\$279,627	\$209,790
Loose Bags	\$14,904	\$11,178
Environmental Collection Center (ECC)	\$550,000	\$550,000 Fee is Effective October 1, 2023
Non-GOP Landfill Surcharge \$10	\$232,212	\$174,159
GOP Landfill Surcharge \$5	<u>\$975,976</u>	<u>\$731,982</u>
Total Revenues	\$2,052,719	\$1,677,109



Outreach with GOP Haulers

- Solid Waste will have discussions with Republic and all other registered GOP haulers and will listen to their concerns about the proposed GOP surcharge.
 - Past hauler concerns have centered around the impact on their revenues
- Hauler outreach will include:
 - Educating haulers on the financial status of the fund, evolving use of the landfill, and landfill life
 - Solicit alternate solutions from haulers and document any proposed solutions haulers provide
 - Timeline to ensure implementation is ready for January 1, 2024



Next Steps

- Communicating with GOP/Non-GOP haulers
 - Will share the communication plan with Mayor/Council.
- Implement residential customer communications in Q1 of for over-filled and loose bags fees.
- Effective January 1, 2024:
 - GOP/Non-GOP Landfill Surcharge Fees
 - Overloaded Carts and Loose Bags
 - Non-GOP Landfill Surcharge
- ECC customer city fee become effective October 1, 2023
- Fall of 2024 staff will present information on landfill gas, landfill life, and plans for the future



Thank You FORT WORTH®



Resource Slides

- Southeast Landfill Tonnage Breakdown
- 2023 Southeast Landfill Rates vs. Five Closest Landfill Locations
- Residential Collections Overview
- Solid Waste Fund Evolution of How Garbage is Collected in Fort Worth



Southeast Landfill Tonnage Breakdown

- The following table summarized the 2022 calendar year tonnage accepted at the Southeast Landfill
- Data serves as the baseline for the financial projection

Customer	Annual Tons			% Landfill		
	Municipal Solid Waste	Construction & Demolition	Special Waste (Sludge, Animals, Medical, Contaminated Soil)	Total	Intake	% Outside City
City	239,022*	0	545	239,567	25%	0%
Republic Services	275,003	5,444	36,550	316,997		50%
Third Party	255,947	118,671	39,362	413,980	75%	50%
Total	769,972	124,115	76,457	970,544	100%	38%

^{*} Excludes approximately 22,800 tons of brush that is diverted for compost instead of landfilled.



2023 Southeast Landfill Rates vs. Five Closest Landfill Locations

Facility	Operator	Gates Per Ton – 2020	Gates Per Ton – 2023
Turkey Creek Landfill	Waste Connections	\$94.00	\$65.00 (1-Ton min.)
City of Arlington landfill	Republic	\$68.20	\$64 (not including Env or Fuel fees)
Westside Transfer Station	Waste Management	\$61.20	\$142 1st ton \$62 each additional
Halton City Transfer Station	Waste Connections	\$58.80	\$146.50 per ton (1-ton min.)
IESI C&D landfill	Waste Connections	\$47.85	\$59.00 (2 ton min.)
SELF	Republic	\$41.77	\$51.97 2-ton min. (not including Env or Fuel fee)



Residential Collection Service Details

Residents of Fort Worth receive four services:

- Garbage Collection once a week
- Recycling Collection once a week
- Yard Waste Collection once a week
- Bulk Collection once a month

Total Average Collections per Household/Per Month = 14

Collection Customers = 244,028

3.3M service touches monthly



Evolution of How Garbage is Collected in Fort Worth

