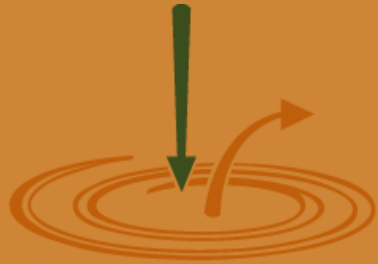




FORT PIERCE

F L O R I D A

kessler consulting inc.
innovative waste solutions



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City Commission Budget Workshop: Solid Waste Division July 10, 2023

Kessler Consulting, Inc.

Comprehensive Collection Services

- Residential

- Garbage: 2/week 96-gal cart
- Recyclables: 1/week 64-gal cart
- Yard Waste: 1/week 96-gal/cart
- Bulky Yard Waste & Trash: 1/week



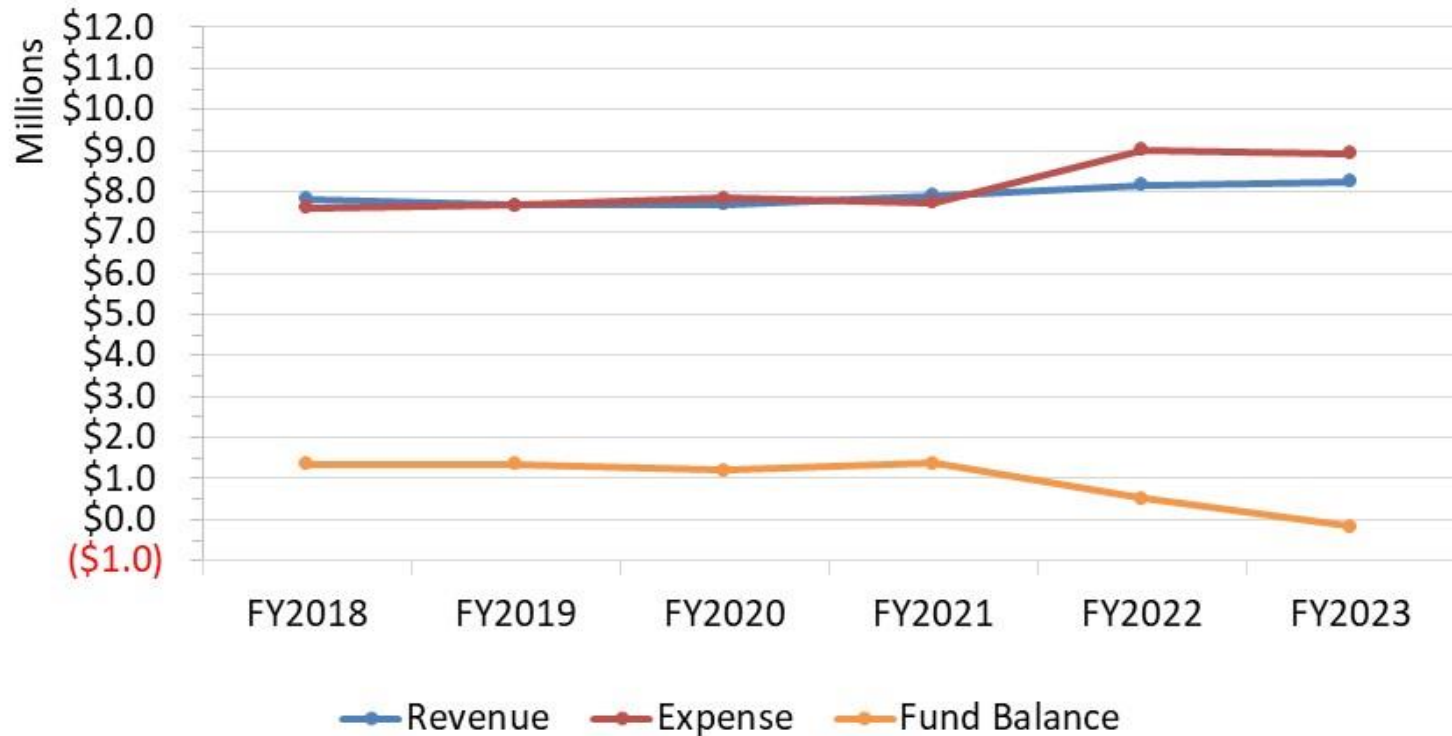
- Commercial

- Garbage: 1 to 6/week 2- to 8-yard container
- Recyclables: 1/week 2- to 8-yard container

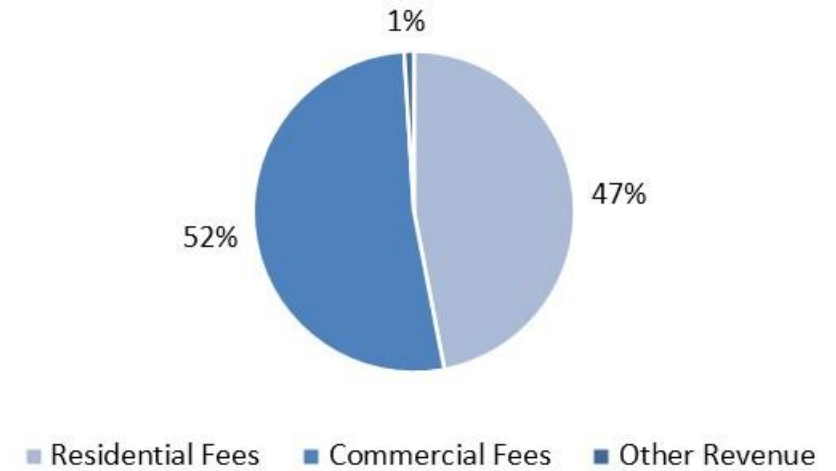


Financial Snapshot

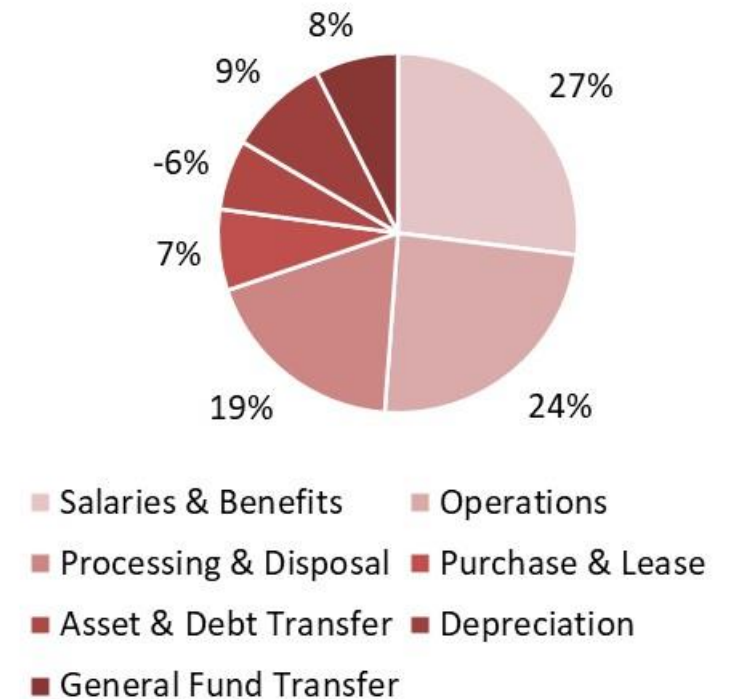
Fund Summary



Revenue Sources - FY2022



Expense Categories - FY2022



Stability and Progress in Challenging Times

- Customer-focused solid waste services
- Continuity of services during pandemic
- Managing supply chain delays, labor shortages, and cost inflation
- Responding to increasing residential & commercial growth
- Managing costs and financial resources
- No rate increase since 2016

Municipal Solid Waste Rates

Population

Demographics

Customer Base

Local Policies

- “All waste is local”
- Rates are based on many factors and rarely reflect actual costs
- Direct comparison of rates is cautioned

Materials Collected

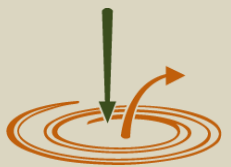
Services Provided

Financing Methods

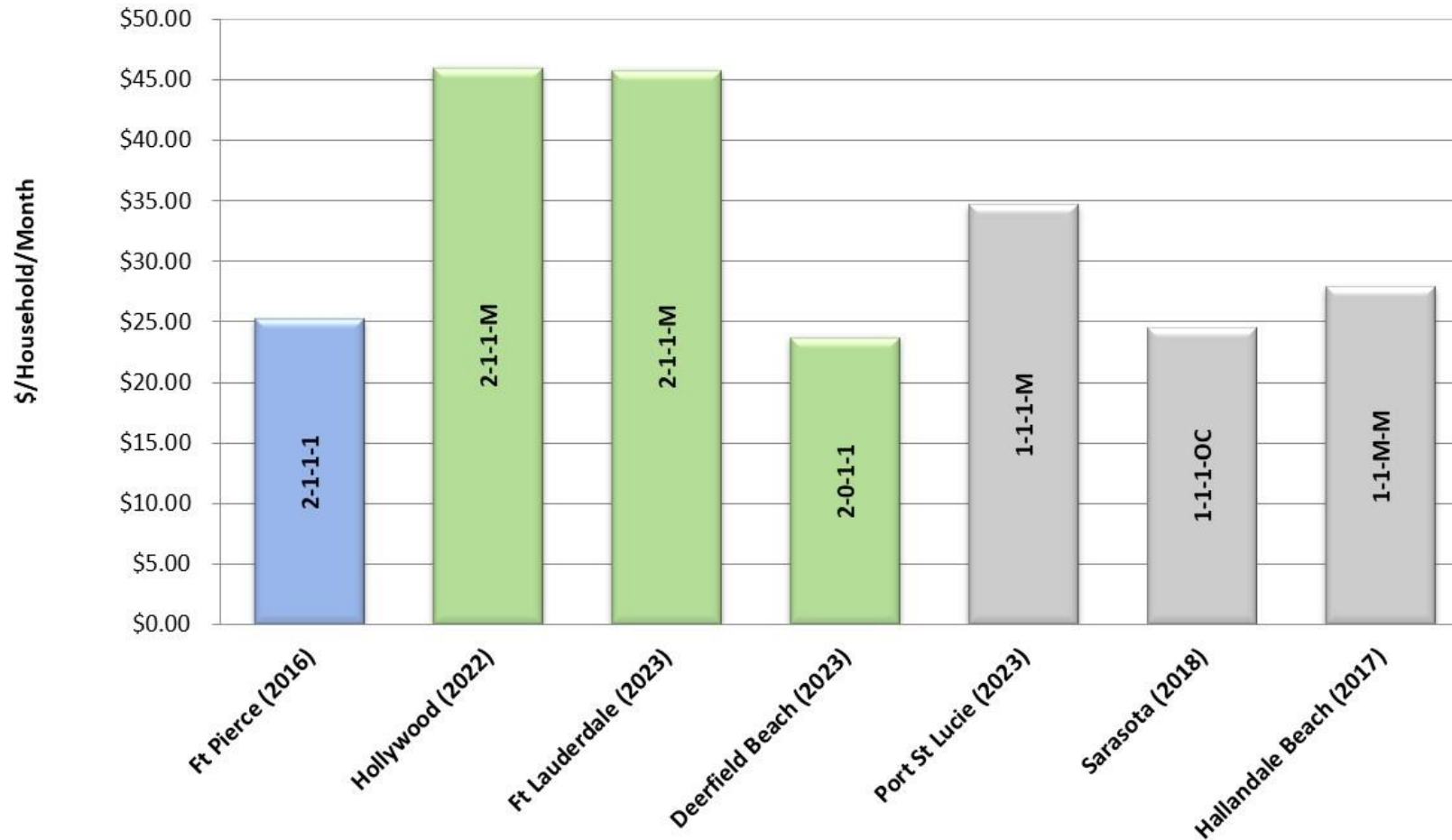
Funding Methods

Economies of Scale

Hauling & Tip Fees



Rate Comparison: Residential Service

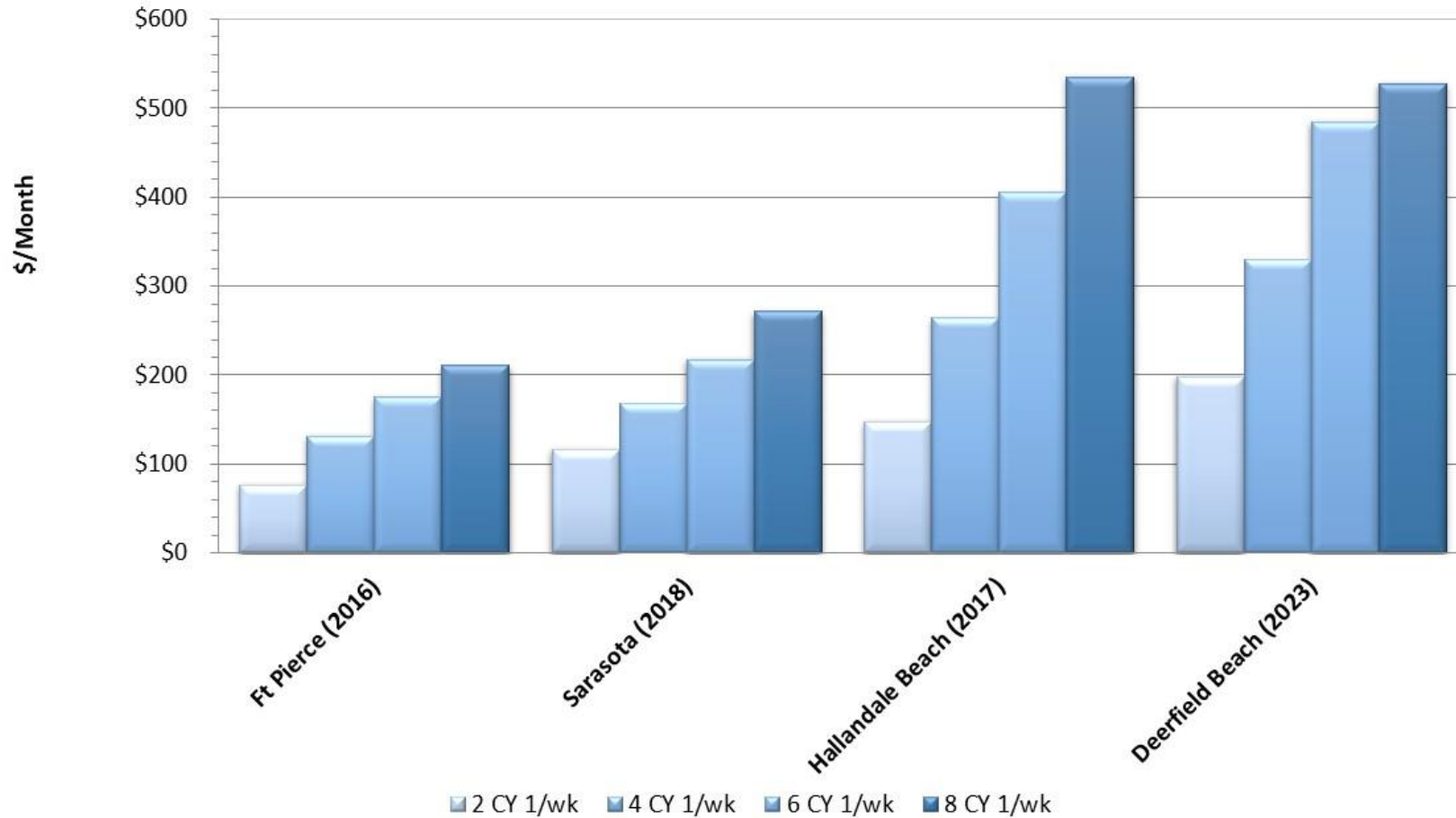


Service Frequency:
G-R-YW-BW
2/week or 1/week
M = per month
OC = on call

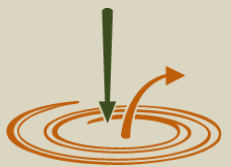
Note: Direct comparison is cautioned due to community-specific factors, rates for one class may subsidize other classes, & rates do not necessarily reflect actual cost.



Rate Comparison: Commercial Services

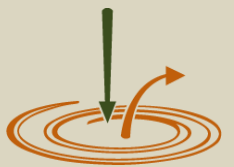


Note: Direct comparison is cautioned due to community-specific factors, rates for one class may subsidize other classes, & rates do not necessarily reflect actual cost.



Rate Study: Project Status

- **Completed:**
 - Cost of service analysis
 - Project future costs and revenue requirements
 - 5-year (FY24 – FY28) analysis of initial rate scenarios:
 - No change in current rates
 - Rate increase to achieve reserve fund balance \approx 10% of expenses
- **Current:**
 - July 10th: present results at this Budget Workshop and receive guidance from Commission
- **Upcoming:**
 - Assess opportunities to improve operations
 - Assess service delivery options
 - Revise and refine rate scenarios
 - Prepare tech memorandum with findings and recommendations

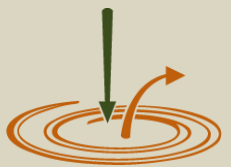
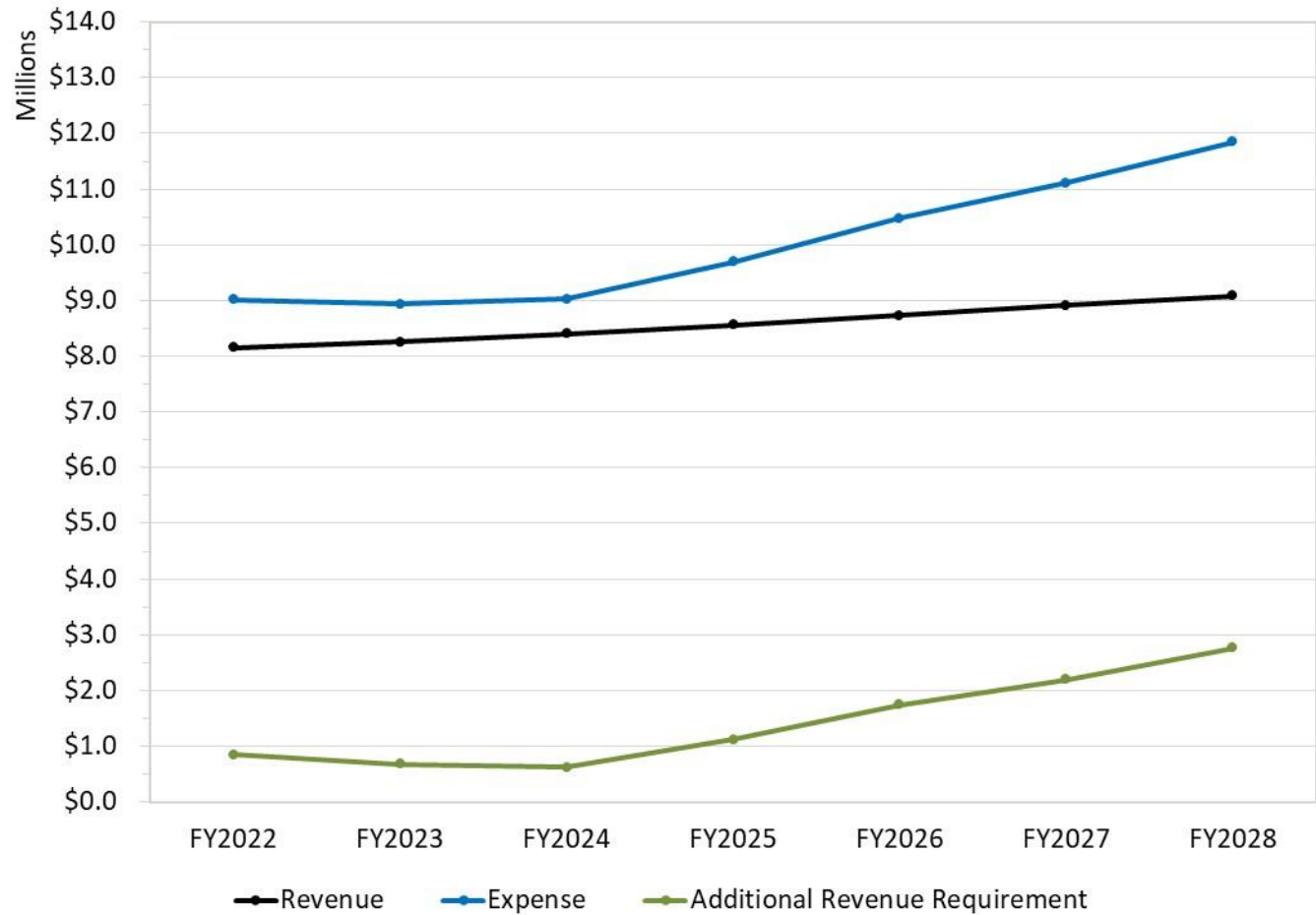


Rate Analysis: Key Parameters

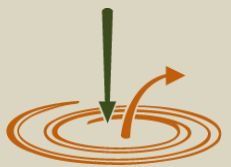
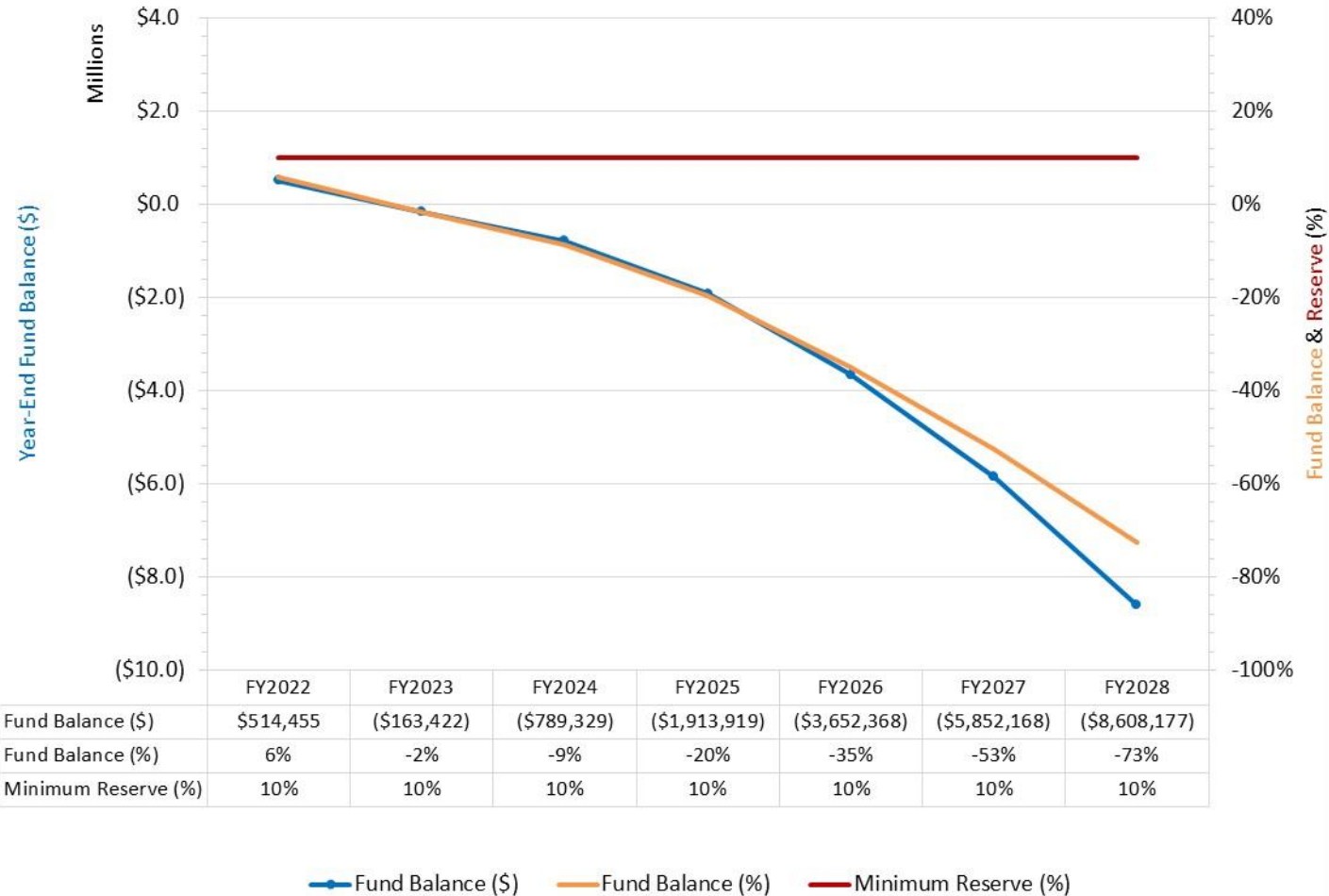
- 5-year projection: FY2024 – FY2028
- 2% annual growth in customers
- 3.5% average CPI
- Minimum Fund balance of 10% of expenses as contingency reserve

- Maintain current service offerings
- Transition to leased fleet
- Add crews to handle growth: commercial in FY24 & residential in FY26

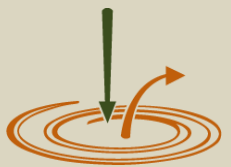
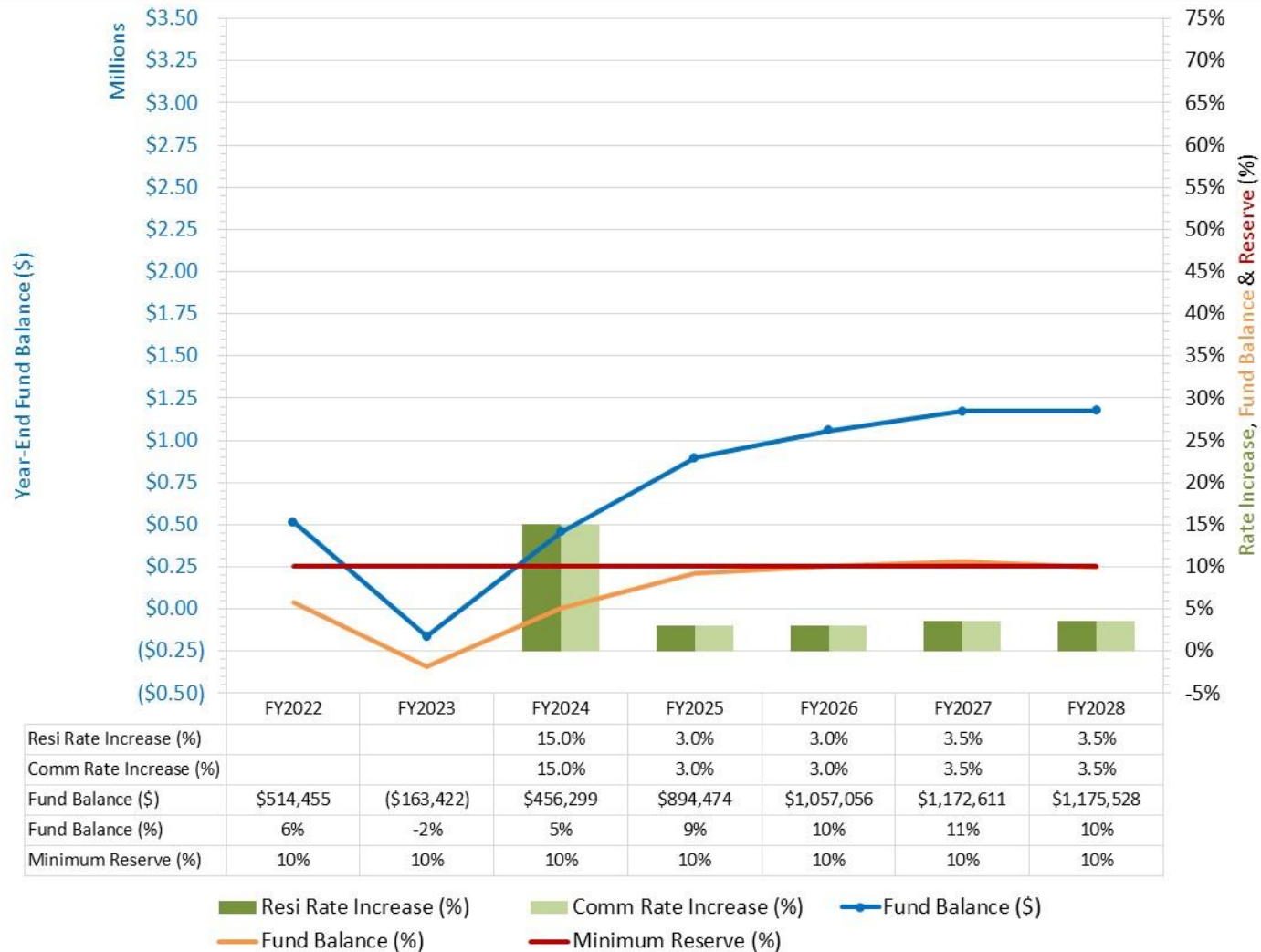
Projected Revenue Requirement



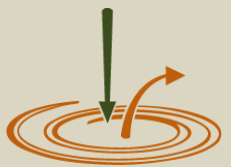
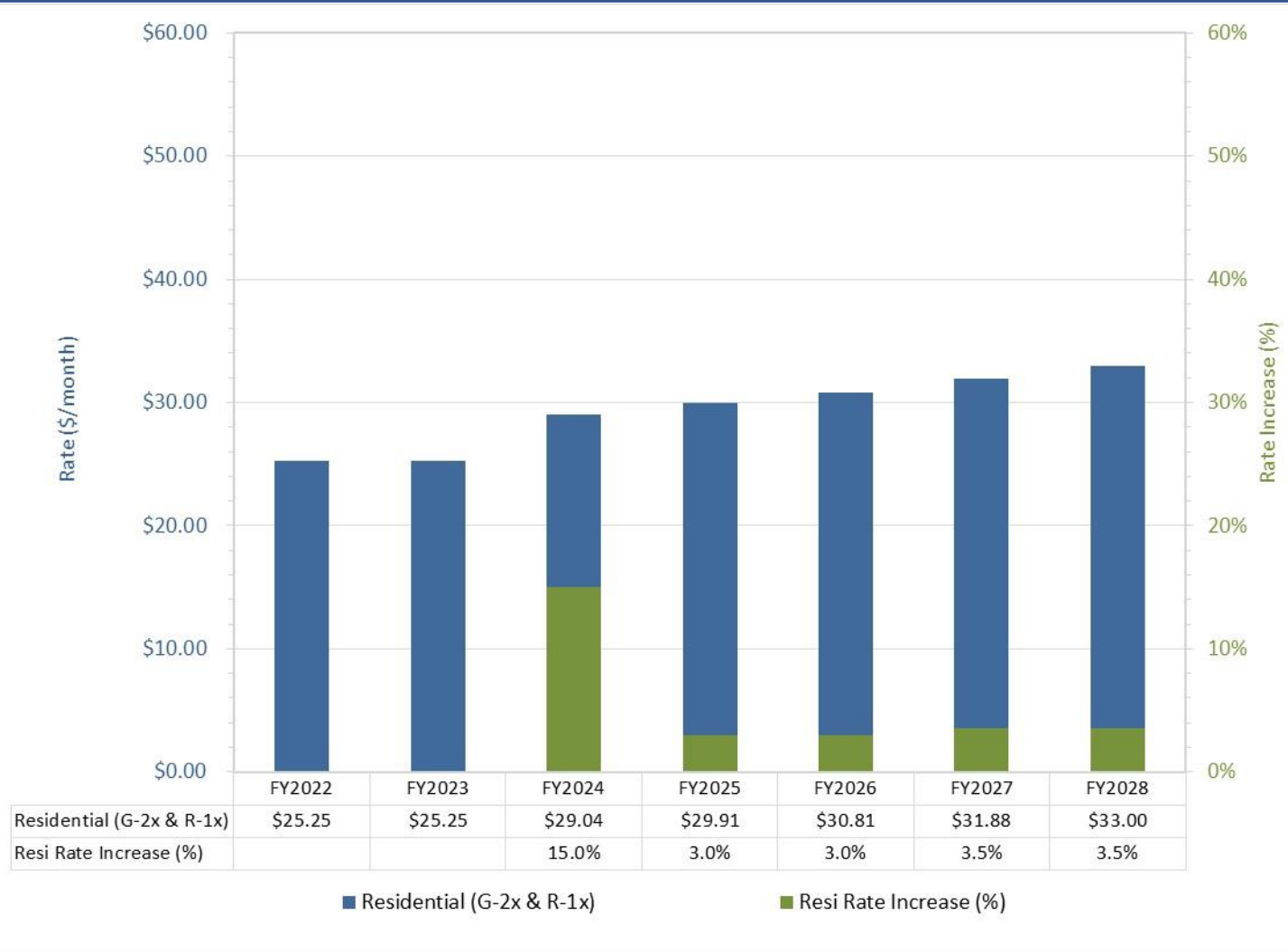
Projected Fund Balance



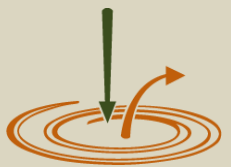
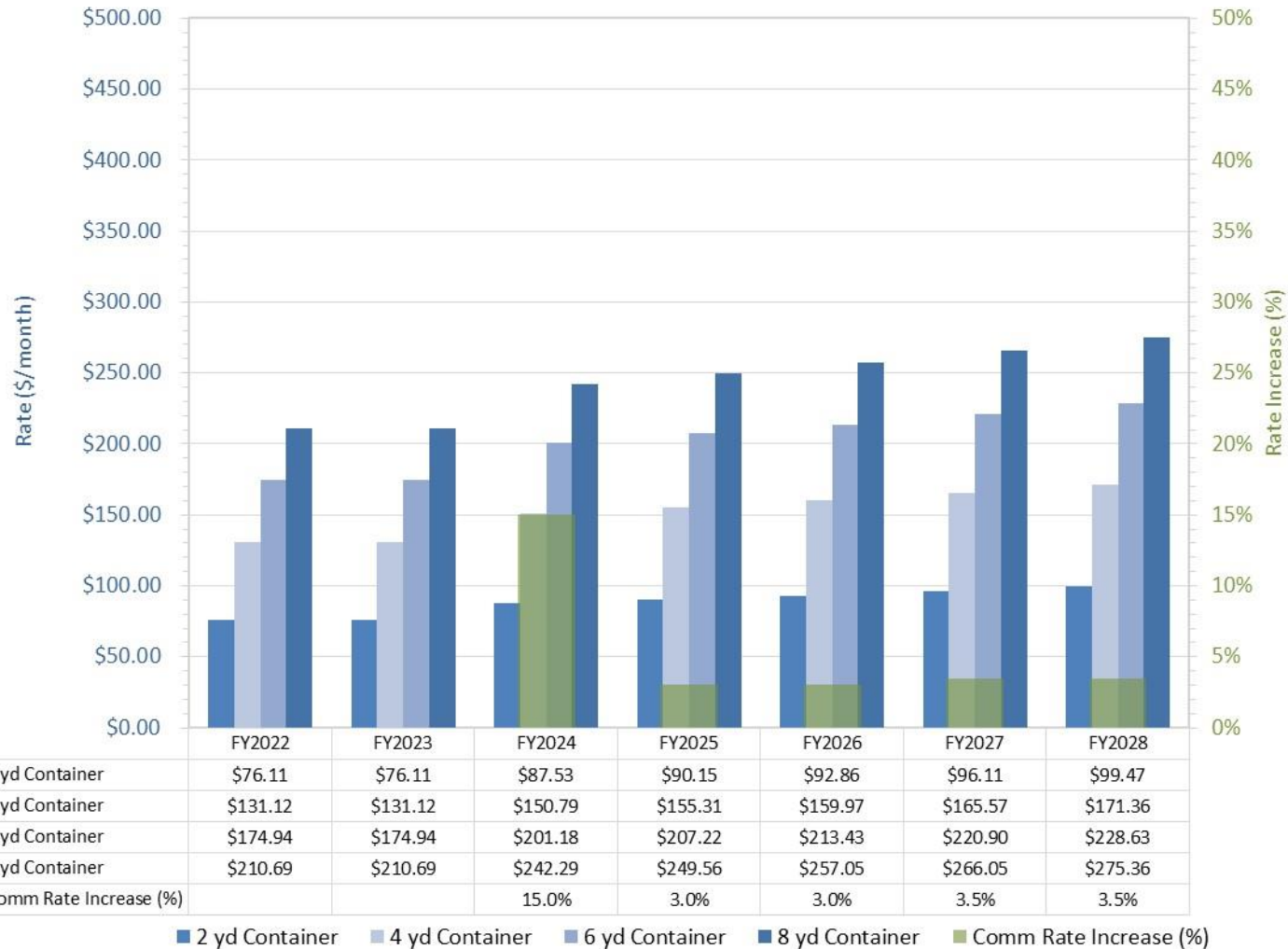
Projected Rates to Meet Revenue Requirement



Projected Residential Rates



Project Commercial Rates



Summary

Current Services and Financials:

- Solid Waste has managed financials through several challenging years
- Ft. Pierce provides a high level of service at rates comparable to or lower than peers
- Negative fund balance expected at end of FY2023

Rate Analysis:

- At current rates, expenses exceed revenue in next 5 years; significant Fund deficit projected
- Average 15.0% increase in FY2024 followed by 3.0% - 3.5% annual increase will achieve 10% reserves target

Next Steps

- Receive guidance from Commission
- Evaluate options for operational improvement and service delivery
- Revise and finalize rate analysis
- Submit technical memorandum

Questions and Discussion ...

Thank You!