

Meeting Date
07/11/2017



AGENDA	
Section	Unfinished Business
Item No.	V.A.

AGENDA REPORT
BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

SUBJECT:	Requesting the Board Select an Option for Solid Waste Collection Assessment Rates for Purposes of the Letter Sent out to Homeowners and Advertisement in the Newspaper for the Public Hearing
DEPT/OFFICE:	Solid Waste Management Department

Requested Action:

It is requested the Board select an option for the Solid Waste Collection Assessment rates for purposes of; Sending the mandatory letter, advertising and having a public hearing regarding the same in August of this year. This assessment is imposed only in the unincorporated areas of the County.

Summary Explanation & Background:

As a result of a Request for Proposals (RFP) process, the Board of County Commissioners entered into a contract, in August 2013, with Waste Management of Florida, Inc. (WM) for solid waste collection in the unincorporated areas of the county. This contract provided for WM to receive a CPI related increase of up to three (3) percent per year for the life of the contract (maximum of ten (10) years) to adjust their payment from the County. The contract provisions were expected to result in an income which was lower than the expenses/costs for the County. Thus the hurricane reserves of \$5.5M were to be used to help pay those expenses. Further, it was understood that within three (3) to four (4) years the Board would need to re-visit the subject of collection rates to stabilize the reserves.

Because of the low rate of inflation including one year in which there was a negative inflation, the assessment question was postponed for two additional years. Unfortunately in 2016, Brevard County suffered the effects of Hurricane Matthew. Hurricane Reserves which were at \$4.1M were used to provide the services for which the reserves had been established for. The reserves were not sufficient to pay up front for the expenses incurred and a loan for \$10M was approved by the Board to bridge the gap between paying the contractors and receiving the typical but partial reimbursement from FEMA. The local share (paid by the citizens of the unincorporated areas of Brevard County) is estimated to be \$1.4M further decreasing the reserves to an estimated \$2.8M based on anticipated FEMA reimbursements. As the Collection Enterprise Fund continues to pay out more money than it collects it is estimated that the cash will be depleted if collection rates are not increased.

During the Budget Workshop held on May 23, 2017, staff presented cash projections to the Board and received instructions to bring back rate adjustment options for the Board to consider. The following are options staff developed:

Option 1 – (First Year has a rate increase of 5.5% and 3% for remaining years. Reserves start at \$2.8M and end at \$1.4M)

FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY2023
\$135.26	\$139.32	\$143.50	\$147.80	\$152.24	\$156.81

Option 2 – (First Year has a rate increase of 5.5% and 3.25% for remaining years. Reserves start at \$2.8M and end at \$1.9M)

FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY2023
\$135.26	\$139.66	\$144.20	\$148.88	\$153.72	\$158.72

Option 3 – (First year has a rate increase of 5.5%, 4.85% till FY 2020 and 2.2% for remaining years. Reserves start at \$2.8M and end at \$3M by FY 2020 continuing at the same level until FY 2023)

FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY2023
\$135.26	\$141.82	\$148.70	\$151.97	\$155.31	\$158.73

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Clerk to the Board Instructions:

Exhibits Attached:

Contract /Agreement (If attached): Reviewed by County Attorney Yes No PR

Interim County Manager

Assistant County Manager
Venetta Valdengo

Department Director / Extension
Euripides Rodriguez / 52042

Frank Abbate

Assistant County Manager
John P. Denninghoff

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Subject: Requesting the Board Select an Option for Solid Waste Collection Assessment Rates for Purposes of the Letter Sent out to Homeowners and Advertisement in the Newspaper for the Public Hearing

Option 4 – (First year has a rate increase of 6.72% and 3.35% for remaining years. Reserves start at \$3M and end at \$3M)

FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY2023
\$136.82	\$141.40	\$146.14	\$151.04	\$156.10	\$161.33

Hurricane Matthew, which was the last major storm in twelve (12) years, resulted in the County's unreimbursed share in the amount of \$1.4M for the collection of debris. The three storms in 2004 resulted in less debris collected at a higher price for the County. Hurricane Matthew local share cost was lower than the 2004 storms. The two major reasons of this reduction in local share resulted from a new emergency debris collection contract, which has a lower price per cubic yard collected; and the county entering into a FEMA pilot program which reduced the local share of 12.5% to 6.5% for the first 30 days, 10% for the next 60 days and 12.5% for the remainder of the collection period. This results in a net savings for the county. As a result, \$1.4M for hurricane reserves is estimated to be sufficient under FEMA's pilot program, which has no expiration date.



Tammy Rowe, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

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July 12, 2017

M E M O R A N D U M

TO: Euripides Rodriguez, Solid Waste Management Director

RE: Item V.A., Board Consideration for Option for Solid Waste Collection Assessment Rates for Purposes of Sending Mandatory Letter to Homeowners, Advertising, and Having Public Hearing Regarding the Same in August 2017

The Board of County Commissioners, in regular session on July 11, 2017, selected Option 5 for the Solid Waste Collection Assessment rates for purposes of sending the mandatory letter to homeowners; and authorized you to advertise for a public hearing regarding the same in August 2017.

Your continued cooperation is greatly appreciated.

Sincerely yours,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

Tammy Rowe, Deputy Clerk

/cmw

cc: Budget
Finance

V.A ("option 5")

Solid Waste Management Department
 Collection Assessment Analysis - First Year Increase of 3.6% and 3.45% After With \$2.5M Ending in \$1.4M in Hurricane Reserves
 FY 2017 Thru FY 2023

Func/Loc	Description	FY2014 Actuals	FY2015 Actuals	FY2016 Actuals	FY2017 Budget	FY2018 Projection	FY2019 Projection	FY2020 Projection	FY2021 Projection	FY2022 Projection	FY2023 Projection
3315031	Hurricane Matthew - FEMA				\$10,366,516.89						
3345031	Hurricane Matthew - STATE				\$1,123,545.07						
	Hurricane Matthew - Municipalities				\$212,760.80						
	Loan Proceeds from Fund 4011				\$10,000,000.00						
3013000	Cash Forward	\$8,148,235	\$8,051,358	\$7,763,403	\$7,763,403.00	\$5,810,165.49	\$6,181,002.08	\$5,941,370.96	\$5,689,196.21	\$5,423,682.16	\$5,144,312.47
3021000	Statutory Reduction				(\$1,184,324.03)	(\$648,160.83)	(\$672,219.67)	(\$697,106.89)	(\$722,916.05)	(\$749,697.41)	(\$777,487.62)
3434100	Assessment Solid Waste	\$11,969,546	\$12,269,012	\$12,350,396	\$12,446,802.00	\$13,138,451.62	\$13,634,099.71	\$14,148,446.12	\$14,682,196.25	\$15,236,082.10	\$15,810,863.30
3434101	Discount-Operating Revenues	(\$407,861)	(\$418,799)	(\$422,939)	(\$423,191.27)	(\$446,707.36)	(\$463,559.39)	(\$481,047.17)	(\$499,194.67)	(\$518,026.79)	(\$537,569.35)
3612000	Interest Earnings Cond Inv	\$61,990	\$52,527	\$78,073	\$79,162.00	\$76,076.35	\$77,988.31	\$78,393.56	\$78,481.77	\$78,550.34	\$78,598.46
	Recycling Payment From WM				\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00
					\$500,000.00	(\$100,000.00)	(\$100,000.00)	(\$100,000.00)	(\$100,000.00)	(\$100,000.00)	(\$100,000.00)
3613200	Interest on Inv-Tax Collector		\$1,975								
3613204	Interest Solid Waste Assessment	\$20,503	\$18,965	\$20,803	\$18,000.00	\$18,750.00	\$19,218.75	\$19,699.22	\$20,191.70	\$20,696.49	\$21,213.90
3650000	Sales Of Surplus Materials & Scrap	\$438,619	\$321,542	\$80,207	\$75,646.00	\$76,646.00	\$76,646.00	\$76,646.00	\$76,646.00	\$76,646.00	\$76,646.00
3819006	Property Appraiser Excess Funds			\$70,000							
	Total Revenue For Fund 4110	\$20,231,032	\$20,296,580	\$19,939,943	\$40,478,320	\$18,625,221	\$18,853,176	\$19,086,402	\$19,324,601	\$19,567,933	\$19,816,577
5340001	Other Contracted Services	\$11,862,073	\$12,217,916	\$12,180,035	\$25,423,697	\$12,754,853	\$13,235,918	\$13,735,243	\$14,253,405	\$14,791,115	\$15,349,110
5340001	Other Contracted Services				\$0	\$0	\$0	\$0	\$0	\$0	\$40,000
5490000	Other Current Charges	\$2,862	\$1,460	\$806	\$81,286	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
	Loan Repayment to Fund 4011				\$10,025,000						
5499900	Prior Year Refund		(\$26,483)		\$0	\$0	\$0	\$0	\$0	\$0	\$0
5499970	Indirect Costs	\$58,887	\$71,871	\$70,286	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5919070	Budget Transfer Tax Collector	\$196,356	\$191,119	\$210,914	\$252,496	\$266,527	\$276,581	\$287,015	\$297,843	\$309,079	\$320,739
5919060	Budget Transfer Property Appraiser	\$63,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,525	\$71,054	\$71,587	\$72,124	\$72,665
5990040	Reserve For Cash Forward				\$2,026,250	\$2,125,809	\$2,205,986	\$2,289,207	\$2,375,568	\$2,465,186	\$2,558,185
5990110	Contingencies				\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
5990300	Reserves Future Disasters				\$0	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000
	Total Expenditures	\$12,183,179	\$12,525,883	\$12,532,041	\$37,903,729	\$16,643,189	\$17,215,011	\$17,808,520	\$18,424,403	\$19,063,504	\$19,766,699
	Revenue - Expenditures	\$8,047,853	\$7,770,697	\$7,407,902	\$2,574,591	\$1,982,032	\$1,638,165	\$1,277,882	\$900,199	\$504,429	\$49,879
	Waste Management - Rate	\$126.60	\$127.80	\$126.60	\$127.56	\$130.44	\$134.35	\$138.38	\$142.54	\$146.81	\$151.22
	Assessment Rate	\$125.70	\$128.21	\$128.21	\$128.21	\$134.36	\$138.40	\$142.55	\$146.82	\$151.23	\$155.76
	Projected Billing Units to end of Year	95,452	95,812	96,829	96,996	97,782	98,516	99,255	99,999	100,749	101,505
						\$13,138,452	\$13,634,100	\$14,148,446	\$14,682,196	\$15,236,082	\$15,810,863
	Yearly Increase		\$2.51	\$0.00	\$0.00	\$6.15	\$4.03	\$4.15	\$4.28	\$4.40	\$4.54
	Monthly Increase		\$0.21	\$0.00	\$0.00	\$0.51	\$0.34	\$0.35	\$0.36	\$0.37	\$0.38
	Weekly Increase		\$0.05	\$0.00	\$0.00	\$0.12	\$0.08	\$0.08	\$0.08	\$0.08	\$0.09
	Daily Increase		\$0.01	\$0.00	\$0.00	\$0.02	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01
	Percentage Increase		2.00%	0.00%	0.00%	4.80%	3.00%	3.00%	3.00%	3.00%	3.00%
					Average Increase For FY 2018 Forward	3.30%	3.00%				
							103.00%				