

The current commercial rates which were established in 2018 are referenced below:

Container Size	Collection per Week					
(Cubic Yards)	1	2	3	4	5	6
3	97.71	112.18	123.95	184.22	185.08	185.92
4	123.02	138.33	153.04	187.49	232.50	247.22
6	174.82	191.30	208.37	265.61	317.84	320.79
8	226.03	249.99	263.70	343.74	374.94	411.33
10	277.83	312.51	319.03	421.82	446.76	467.36
96-gal (2 carts)	29.32					
Add'l cart (limit 2)	14.66	each				

The current rate structure is disproportionate with the lowest users paying a higher share of the cost of services compared to the heaviest users. SWRD Staff conducted a rate study with our benchmark cities as well as the private sector and are proposing an updated rate structure to be implemented over the next three fiscal years which will ensure equity in rate distribution and be able to sustain our current operations financially.

The proposed updated rates are referenced below:

FY 2027 Rates

Container Size	Collection per Week (Dumpsters)					
(Cubic Yards)	1	2	3	4	5	6
3	85.00	170.00	255.00	340.00	425.00	510.00
4	100.00	200.00	300.00	400.00	500.00	600.00
6	115.00	215.00	315.00	415.00	515.00	615.00
8	130.00	230.00	330.00	430.00	530.00	630.00
10	145.00	245.00	345.00	445.00	545.00	645.00
96-gal (2 carts)	40.00					
Add'l cart (limit 2)	20.00	each				

FY 2026 Rates

Container Size	Collection per Week (Dumpsters)					
(Cubic Yards)	1	2	3	4	5	6
3	80.00	160.00	240.00	320.00	400.00	480.00
4	95.00	190.00	285.00	380.00	475.00	570.00
6	110.00	205.00	300.00	395.00	490.00	585.00
8	125.00	220.00	315.00	410.00	505.00	600.00
10	140.00	235.00	330.00	425.00	520.00	615.00
96-gal (2 carts)	35.00					
Add'l cart (limit 2)	17.50	each				

FY 2025 Rates

Container Size (Cubic Yards)	Collection per Week (Dumpsters)					
	1	2	3	4	5	6
3	75.00	150.00	225.00	300.00	375.00	450.00
4	90.00	180.00	270.00	360.00	450.00	540.00
6	105.00	195.00	285.00	375.00	465.00	555.00
8	120.00	210.00	300.00	390.00	480.00	570.00
10	135.00	225.00	315.00	405.00	495.00	585.00
96-gal (2 carts)	30.00					
Add'l cart (limit 2)	15.00	each				

Residential Service Level Modifications

Residential services expenditures continue to be sustained by revenues. However, costs have been growing at a faster pace than revenues. To continue to sustain the operations and avoid the need for rate residential rate increases, SWRD is proposing to transition our recycling and green waste collections from weekly to bi-weekly.

Set-out rates for recycling containers are consistently below 50% while set-out rates for green waste is consistently below 10%. In a review of our comparator cities, it was determined that most cities have either no collection or bi-weekly collection of recyclable materials, and collaborative discussions with the City of Waco showed that moving from weekly to bi-weekly collection resulted in increased put-out rates, decreased program costs, and increased viability of their recycling initiatives.

By transitioning these services from weekly to bi-weekly, the SWRD is projected to have the ability to save costs in all budget categories (employee, operating, and capital). Reduction (through attrition or reallocation) in the number of Operators and Collectors needed for this division is forecasted to provide a savings of approximately \$300,000 just in employee expenditures along with decreased fuel costs, and decreased usage of trucks for this division which would result in a less frequent need for equipment replacement.

Ordinance Amendments Overview:

In order to implement the proposed modifications, an update to Sec. 110 of the Code of Ordinances is necessary:

- Solid waste fees moved from Sec. 110-8 to Appendix X
 - New Commercial rate structure.
 - Updated rates for roll-off and temporary container rentals.
 - No changes to Recycling or Residential Garbage rates.
 - Updates to miscellaneous fees to better recognize the true cost of service.
- Updated collection schedule for recycling and green waste to bi-weekly.
- Updates to accepted/prohibited items.
- Updated language for businesses permitted to utilize rolling containers.
- Updates to Sec. 110-59.1 (Roll-off service open top) to add language aligning with provisions in the rental agreement.

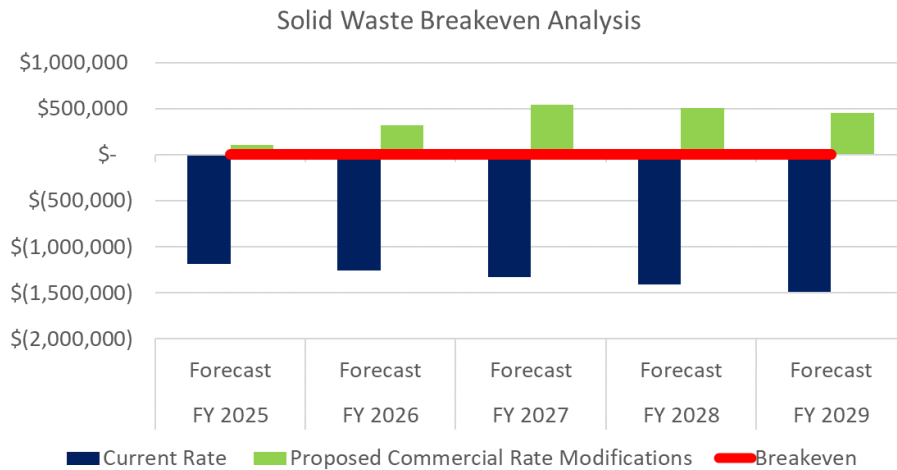
STRATEGIC PLAN REFERENCE:

- Economic Mobility Enhanced Connectivity Community Identity
- Organizational Excellence Community Well-Being N/A

Considering statutory and market-based factors, continue to diversify revenue streams to support long-term fiscal sustainability of the organization.

FISCAL IMPACT:

As referenced in the below graph, forecasting just the proposed commercial rate increases will result in revenues exceeding expenditures in the first fiscal year and will continue to sustain operations for at least the next five fiscal years.



Additionally, the service level modifications proposed for the residential services division will provide expenditure savings which will allow for further sustainability of that division.

RECOMMENDATION:

Staff recommends approval of the ordinance.