



Solid Waste Rate Study

presented by



February 3, 2026

Presentation Overview

- Background
- Current rate adjustment plan
- Projected vs. actual operating results and cash balances
- Rate adjustment options
- Comparable rates in other jurisdictions
- Conclusion

Background – City’s Obligations

- SW Utility must be financially self-supporting
- Adequate cash reserves and sufficient debt service coverage are essential to:
 - Achieve operational stability
 - Maintain essential infrastructure
 - Preserve the City’s ability to finance major capital expenditures

Background - Current Condition of Utility

- Negative cash balances
- Reliance on interfund borrowing
- History of recurring annual shortfalls
- Reduced creditworthiness

Current Rate Adjustment Plan

Currently Approved Collection Rate Adjustments

Effective Date of Increase	7/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027
Rates Effective During FY	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
65 - Gallon Container	\$36.97	\$42.51	\$48.89	\$56.22	\$57.91
Percent Increase		15.0%	15.0%	15.0%	3.0%
95 - Gallon Container	\$46.96	\$54.01	\$62.11	\$71.42	\$73.57
Percent Increase		15.0%	15.0%	15.0%	3.0%
300 - Gallon Container	\$91.34	\$105.04	\$120.79	\$138.91	\$143.08
Percent Increase		15.0%	15.0%	15.0%	3.0%
450 - Gallon Container	\$112.62	\$129.51	\$148.93	\$171.27	\$176.41
Percent Increase		15.0%	15.0%	15.0%	3.0%

Current Rate Adjustment Plan

Currently Approved Landfill Fee Adjustments

Effective Date of Increase	7/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027
Rates Effective During FY	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Passenger Vehicle (per load)	\$15.00	\$16.00	\$17.00	\$18.00	\$19.00
		6.7%	6.3%	5.9%	5.6%
Weighed Tons - Refuse (per ton)	\$100.00	\$105.00	\$110.00	\$115.00	\$120.00
		5.0%	4.8%	4.5%	4.3%
Weighed Tons - Greenwaste (per ton)	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00
		0.0%	0.0%	0.0%	0.0%

Projected vs. Actual

Operating Cash – Four Years Ended June 30, 2025

Description	Projected	Actual	Change	% Change
Beginning Cash July 1, 2021	\$3,773	\$3,773	\$0	0.0%
Surplus/(Shortfall)	(3,549)	(6,189)	(2,641)	-42.7%
Temp Loans/(repayment) from/(to) Water Fund	7,243	7,100	(143)	2.0%
Rate-Funded Cap-Ex	0	(845)	(845)	-100.0%
Landfill Storm Water	(6,200)	(7,911)	(1,711)	-21.6%
Transfers from Landfill Reserve	0	0	0	0.0%
Other Changes to Cash	\$593	\$2,451	\$1,857	-75.8%
Ending Cash - June 30, 2025)	\$1,861	(\$1,623)	(\$3,483)	-214.7%

(000s)

Projected vs. Actual

Operating Results – Four Years Ended June 30, 2025

Description	Projected	Actual	Change	% Change
Total Revenues	\$42,889	\$42,768	(\$121)	-0.3%
Operating Expenditures	\$46,437	\$48,957	\$2,520	5.1%
Operating Income/(Loss)	(\$3,549)	(\$6,189)	(\$2,641)	42.7%

(000s)

Projected vs. Actual

Significant Variances in Operating Expenses – Four Years Ended June 30, 2025

Description	Projected	Actual	Change	% Change
Vehicle Rent (Collection)	\$4,316	\$5,516	\$1,200	21.8%
Insurance (Landfill)	307	670	362	54.1%
Equipment Rent (Landfill)	2,096	3,229	1,134	35.1%
Landfill Closure Expense	624	979	355	36.3%
Salaries and Benefits	13,309	14,876	1,566	10.5%
Enterprise Reimbursement	2,807	3,039	232	7.6%
All Other Expenditures	\$22,977	\$20,648	(\$2,329)	-11.3%
Total Operating Expenditures	\$46,437	\$48,957	\$2,520	5.1%

(000s)

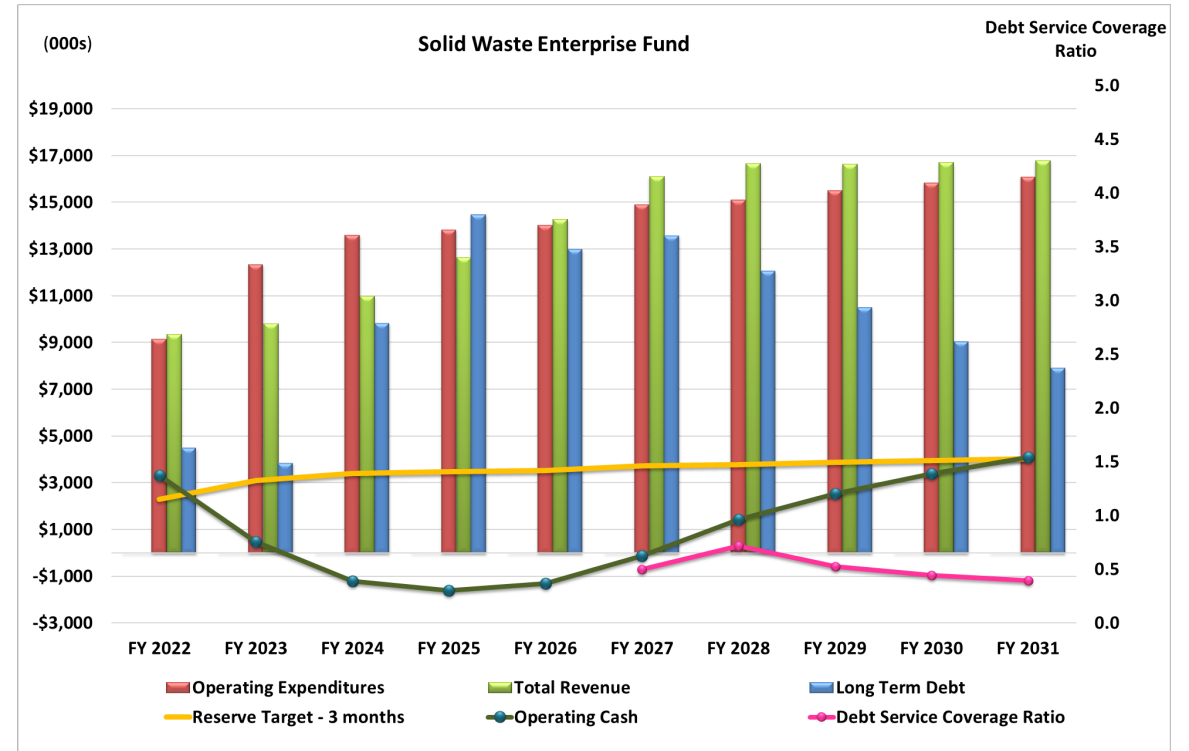
Projected vs. Actual

- Capital
 - Landfill stormwater infrastructure project
- Salaries and benefits
 - Additional driver and heavy equipment operator
 - Decrease in vacant positions
 - Increase in recyclables processing cost
 - Increased health insurance premiums
- Fleet costs – increased cost of maintenance

Current Rate Adjustment Plan

Continue with Currently Approved Rate Plan

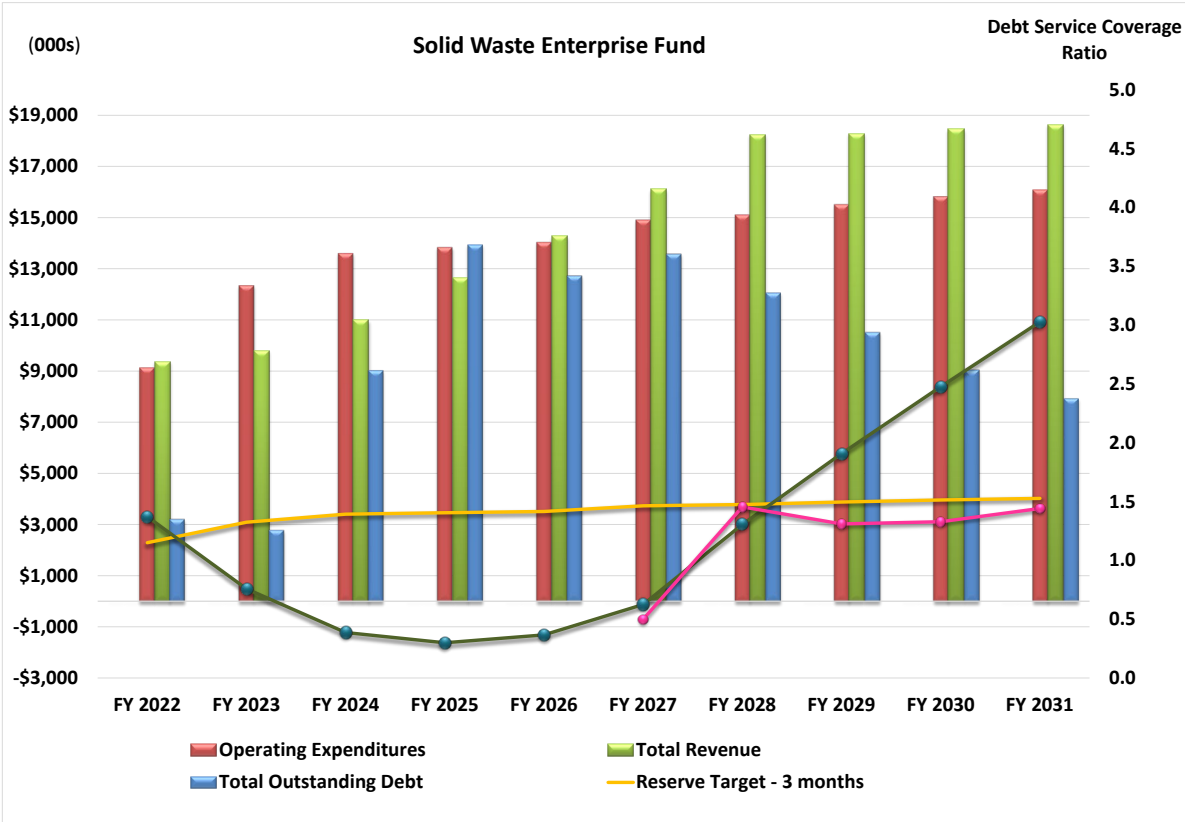
Effective Date	July-23	July-24	July-25	July-26	July-27	July-28	July-29
Rates Effective During	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Residential							
65 - Gallon	\$36.97	\$42.51	\$48.89	\$56.22	\$57.91	\$57.91	\$57.91
Percent Increase		15.0%	15.0%	15.0%	3.0%	0.0%	0.0%
95 - Gallon	\$46.96	\$54.01	\$62.11	\$71.43	\$73.57	\$73.57	\$73.57
Percent Increase		15.0%	15.0%	15.0%	3.0%	0.0%	0.0%
Commercial							
300 - Gallon	\$91.34	\$105.04	\$120.79	\$138.91	\$143.08	\$143.08	\$143.08
Percent Increase		15.0%	15.0%	15.0%	3.0%	0.0%	0.0%
450 - Gallon	\$112.62	\$129.51	\$148.93	\$171.27	\$176.41	\$176.41	\$176.41
Percent Increase		15.0%	15.0%	15.0%	3.0%	0.0%	0.0%



Rate Adjustment Options

Scenario 1 – Accelerated Recovery of Financial Health of Enterprise Fund

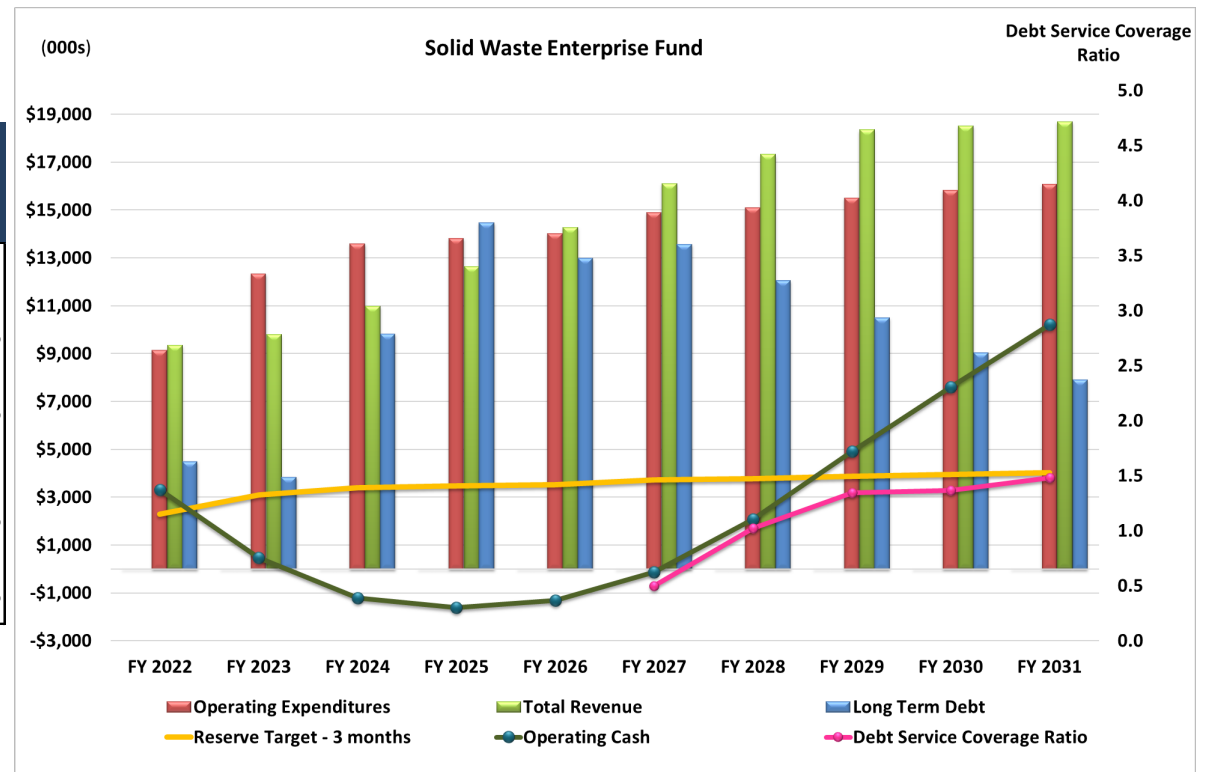
Effective Date	July-23	July-24	July-25	July-26	July-27	July-28	July-29
Rates Effective During	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Residential							
65 - Gallon	\$36.97	\$42.51	\$48.89	\$56.22	\$64.65	\$64.65	\$64.65
Percent Increase		15.0%	15.0%	15.0%	15.0%	0.0%	0.0%
95 - Gallon	\$46.96	\$54.01	\$62.11	\$71.43	\$82.14	\$82.14	\$82.14
Percent Increase		15.0%	15.0%	15.0%	15.0%	0.0%	0.0%
Commercial							
300 - Gallon	\$91.34	\$105.04	\$120.79	\$138.91	\$159.75	\$159.75	\$159.75
Percent Increase		15.0%	15.0%	15.0%	15.0%	0.0%	0.0%
450 - Gallon	\$112.62	\$129.51	\$148.93	\$171.27	\$196.96	\$196.96	\$196.96
Percent Increase		15.0%	15.0%	15.0%	15.0%	0.0%	0.0%



Rate Adjustment Options

Scenario 2 – Moderate Recovery of Financial Health of Enterprise Fund

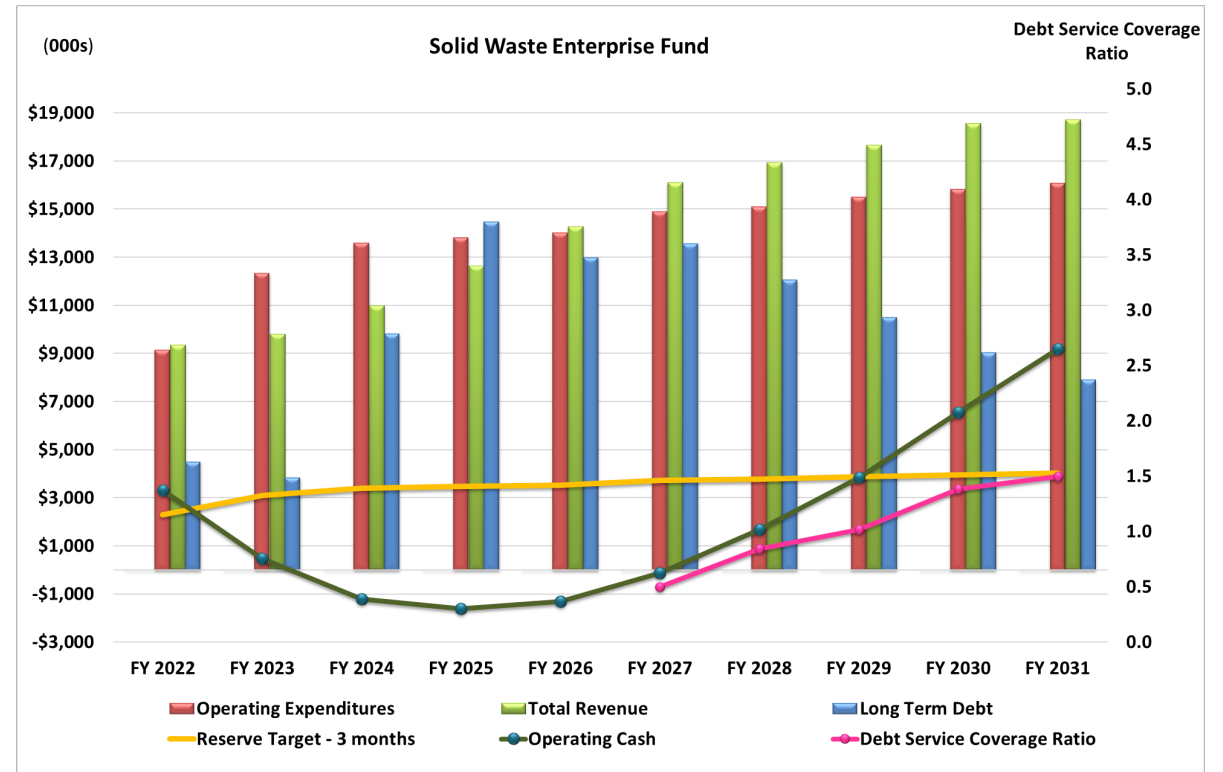
Effective Date	July-23	July-24	July-25	July-26	July-27	July-28	July-29
Rates Effective During	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Residential							
65 - Gallon	\$36.97	\$42.51	\$48.89	\$56.22	\$60.72	\$64.97	\$64.97
Percent Increase		15.0%	15.0%	15.0%	8.0%	7.0%	0.0%
95 - Gallon	\$46.96	\$54.01	\$62.11	\$71.43	\$77.14	\$82.54	\$82.54
Percent Increase		15.0%	15.0%	15.0%	8.0%	7.0%	0.0%
Commercial							
300 - Gallon	\$91.34	\$105.04	\$120.79	\$138.91	\$150.02	\$160.52	\$160.52
Percent Increase		15.0%	15.0%	15.0%	8.0%	7.0%	0.0%
450 - Gallon	\$112.62	\$129.51	\$148.93	\$171.27	\$184.97	\$197.92	\$197.92
Percent Increase		15.0%	15.0%	15.0%	8.0%	7.0%	0.0%



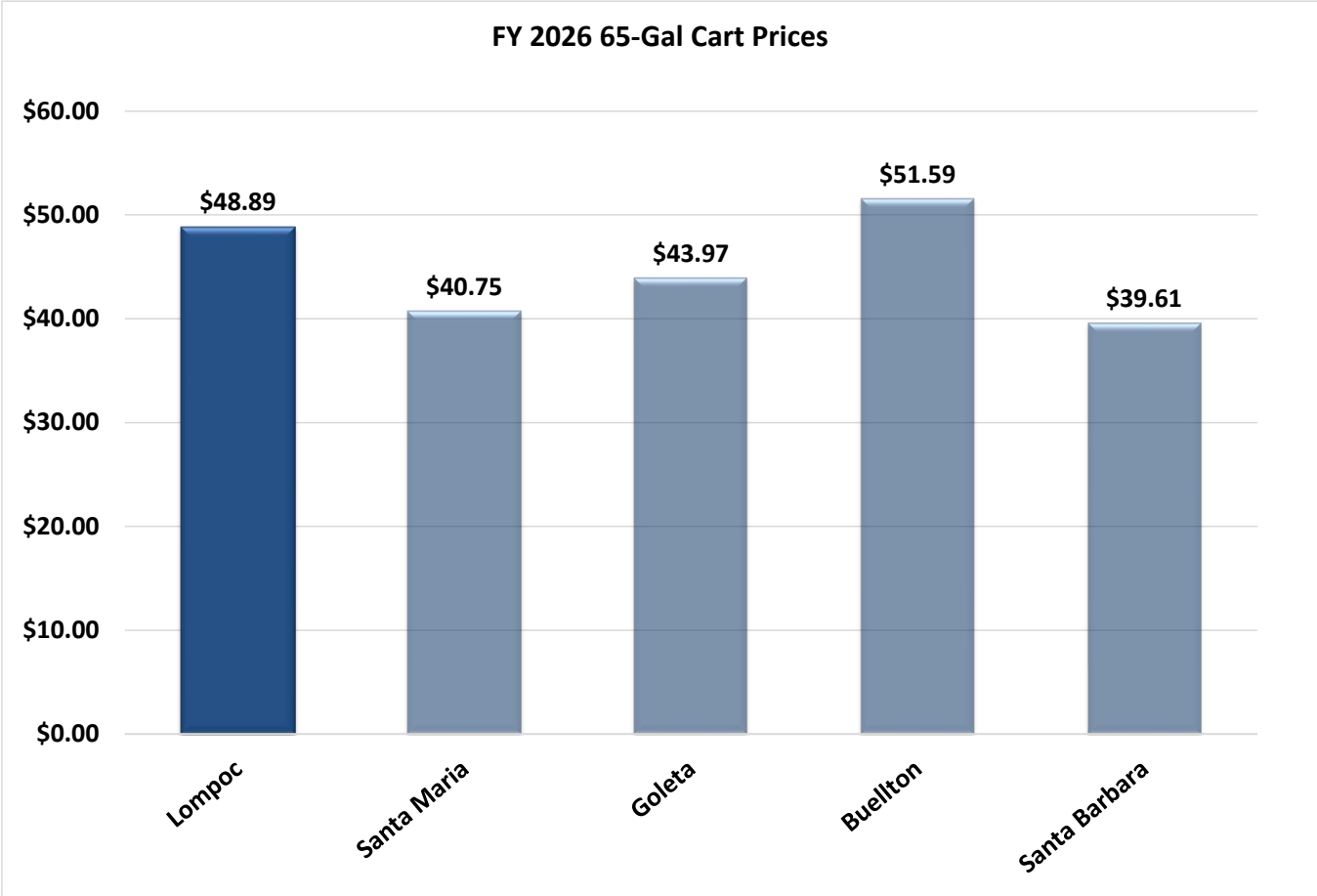
Rate Adjustment Options

Scenario 3 – Gradual Recovery of Financial Health of Enterprise Fund

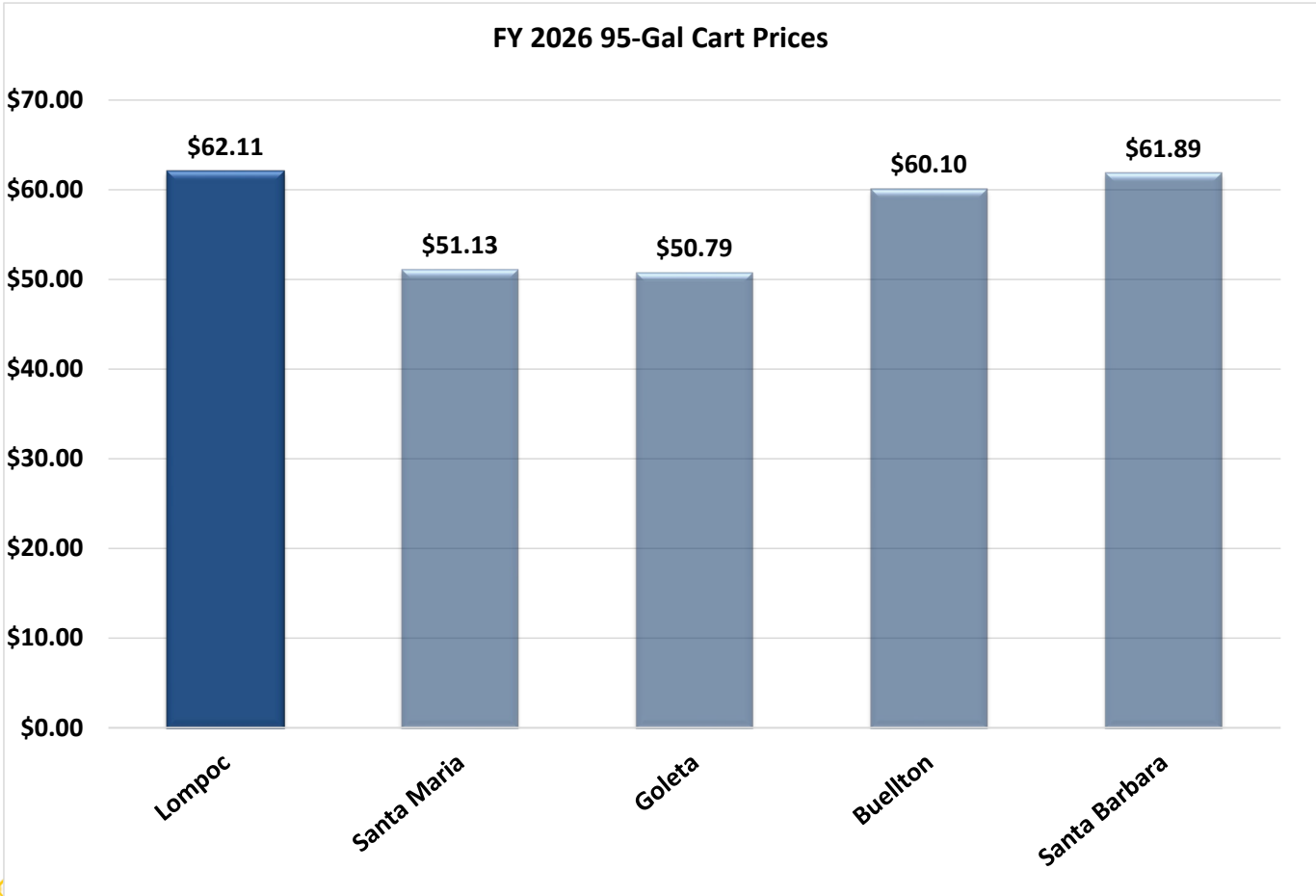
Effective Date	July-23	July-24	July-25	July-26	July-27	July-28	July-29
Rates Effective During	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Residential							
65 - Gallon	\$36.97	\$42.51	\$48.89	\$56.22	\$59.03	\$61.98	\$65.08
Percent Increase		15.0%	15.0%	15.0%	5.0%	5.0%	5.0%
95 - Gallon	\$46.96	\$54.01	\$62.11	\$71.43	\$75.00	\$78.75	\$82.69
Percent Increase		15.0%	15.0%	15.0%	5.0%	5.0%	5.0%
Commercial							
300 - Gallon	\$91.34	\$105.04	\$120.79	\$138.91	\$145.86	\$153.15	\$160.81
Percent Increase		15.0%	15.0%	15.0%	5.0%	5.0%	5.0%
450 - Gallon	\$112.62	\$129.51	\$148.93	\$171.27	\$179.83	\$188.82	\$198.26
Percent Increase		15.0%	15.0%	15.0%	5.0%	5.0%	5.0%



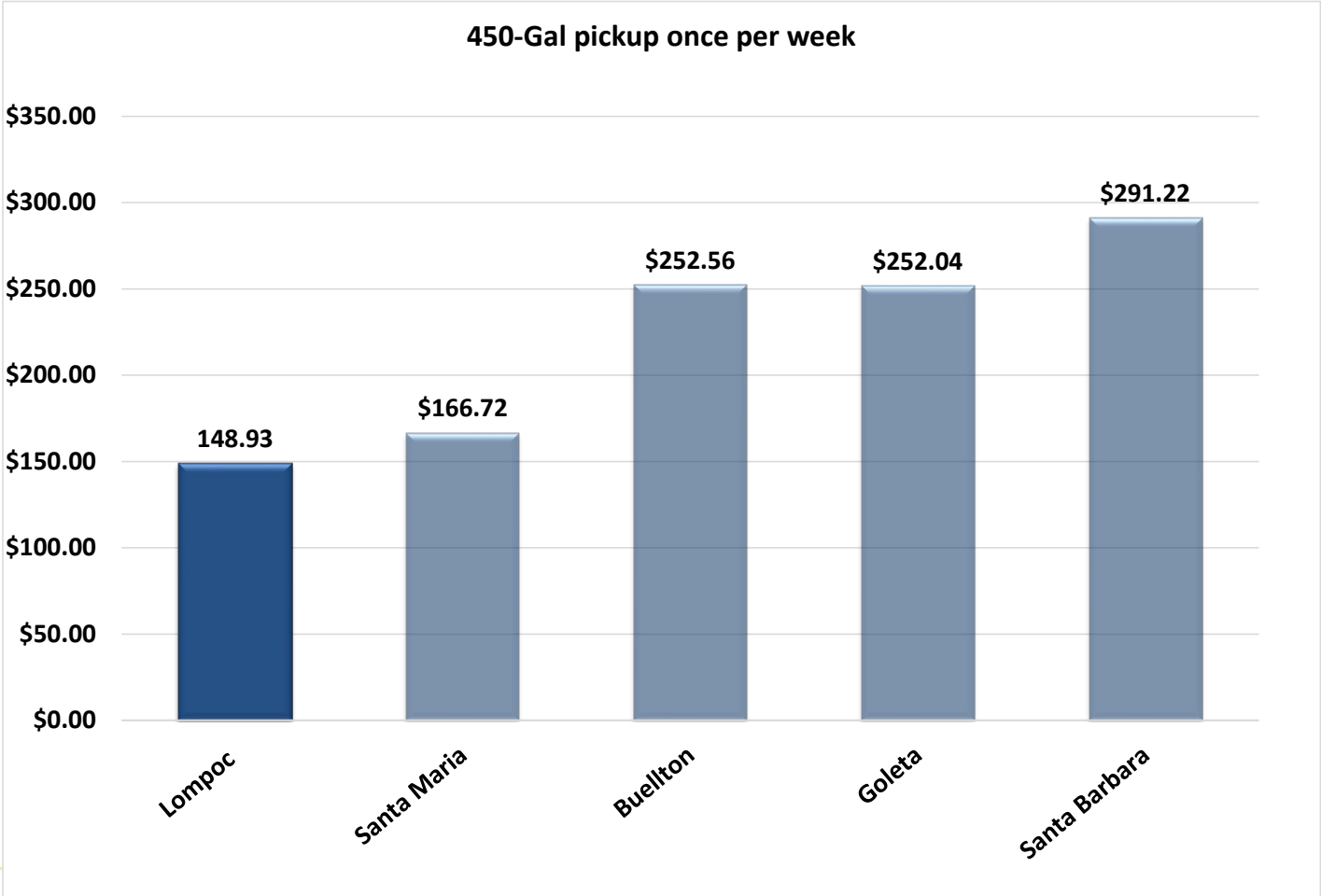
Rate Comparison – 60 gallon



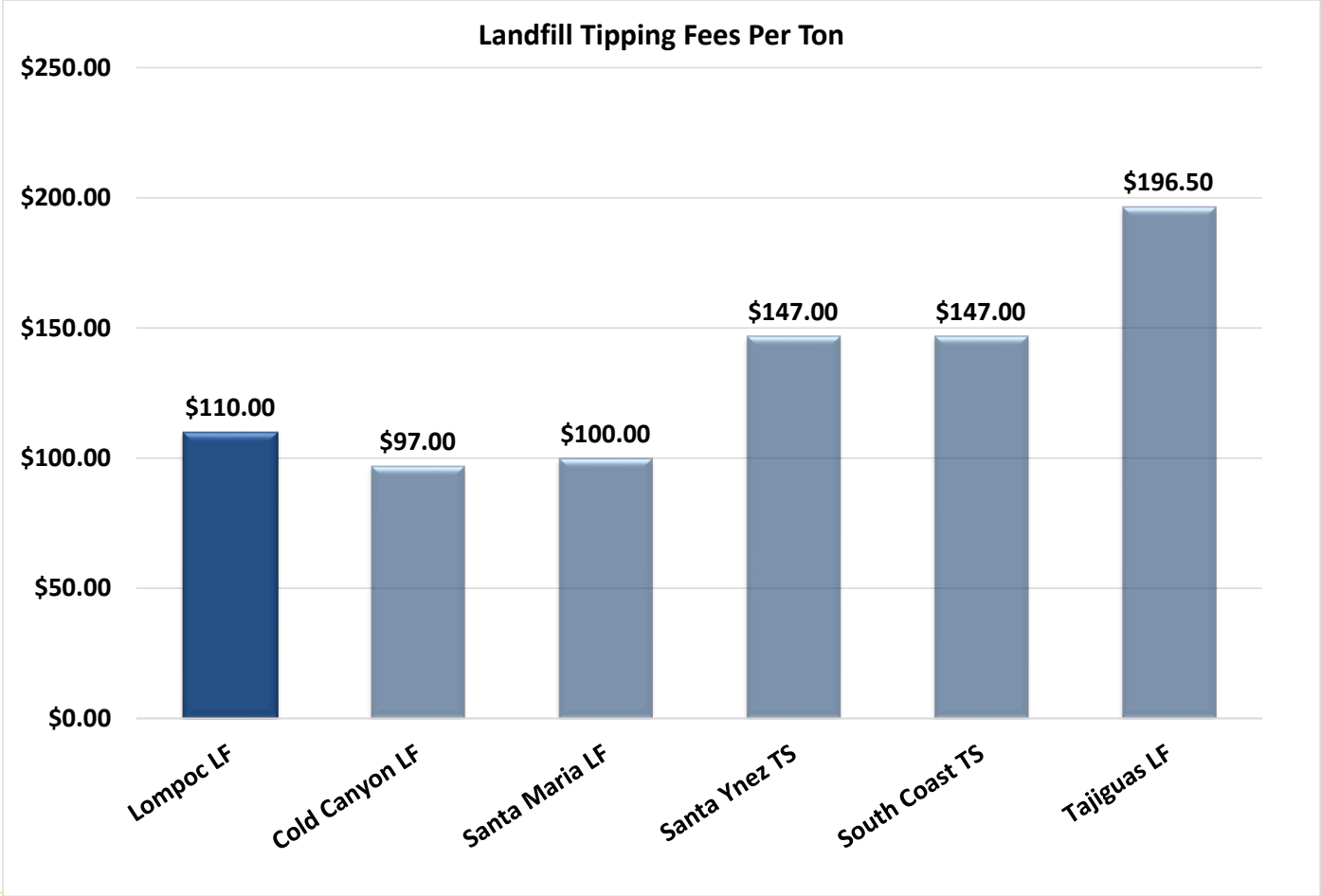
Rate Comparison – 90 gallon



Rate Comparison – 450 gallon



Rate Comparison – Weighed Tons



Conclusion

- Financials are extremely weak
- Under current plan, future results still expected to fall short of 2023
- Landfill approaching end of useful life
- Strong, decisive action would be viewed positively
- Moderate and gradual options may still preclude some prospective lenders
- Financing must occur prior to June 30 to qualify for tax exempt status
- The City's obligations