

Fiscal Comments
Commission Meeting
October 11, 2022
Regular Meeting

Policy Report No. 22-39

Consider Award of the 2023 Landfill Services Contract with Waste Management

The City must dispose of the refuse from its municipal solid waste (MSW) collection service and the special waste (sludge/grit) from its Wastewater Treatment Plant (WWTP) at a state-approved disposal site. There are limited options available to the city for this service. The City made the decision to bid out landfill services in 2018. Waste Management was the low bidder and the City has been using their landfill in Shawnee since January 2019.

The City renews the landfill contract on an annual basis. The cost to dispose of municipal solid waste at the Waste Management Landfill is increasing from \$27.28/ton to \$29.72/ton (9% increase). The cost to dispose of special waste from the WWTP is increasing from \$46.98/ton to \$53.38/ton (12% increase).

These rate increases, combined with an estimated usage increase, will cause the 2023 budgeted landfill line item to be over budget by approximately \$86,000 in the Refuse Fund and \$66,000 in the Sewer Fund. The Refuse Fund and the Sewer Fund have 2023 budgeted general reserves of \$714,000 and \$1,090,080, respectively. Therefore, the funds are available in the Refuse Fund and the Sewer Fund to cover the rate increases, while continuing to maintain adequate reserves in both funds.

Staff recommends that the City Commission approve the 2023 Landfill Services Contract with Waste Management in the amount of \$29.72/ton for municipal solid waste and \$52.38/ton for special waste.