



City of Clearwater, FL

Solid Waste & Recycling Revenue Sufficiency Analysis

Financial Planning & Rate-Setting History

- **City's practice – adopt multi-year rate plans**
 - Current approved plan of 3.75% expired in FY 2019
- **City conducts annual or bi-annual revenue sufficiency studies for all its utility funds**
 - Validate, revise, and/or develop plans as needed
 - Interactive model & decision support

Overview of the Process

INPUTS

- ✓ Historical Financial Data
- ✓ Customer & Demand Forecast
- ✓ Capital & Operating Plans
- ✓ Policy Considerations
- ✓ Regulatory Requirements

OUTPUTS

- ✓ Revenue & Operating Cost Forecast
- ✓ Capital Funding Plan & New Debt
- ✓ Reserves, Debt Coverage, KPI's
- ✓ Rate Adjustment Requirements
- ✓ Customer Impacts

Interactive Model & Decision Support FAMS-XL



FINANCIAL MANAGEMENT PLAN



Key Challenges

6.0%

**Annual Rate
Increases at
Pinellas
County landfill**

\$540K

**Increase in
Personnel Costs per
Compensation &
Classification Study**

\$16M

**Funding of
Transfer Station**

-13%

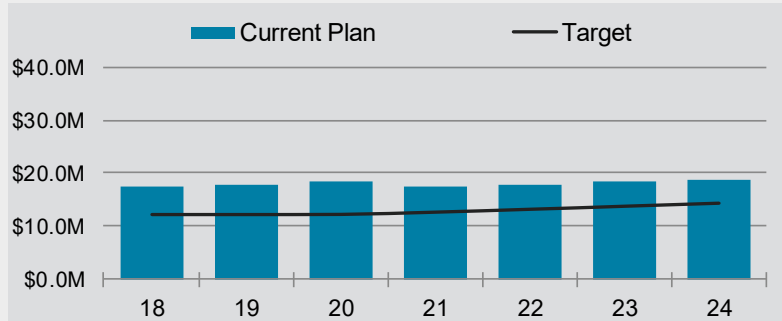
**Reduction in Roll
off revenues**

Financial Plan Summary

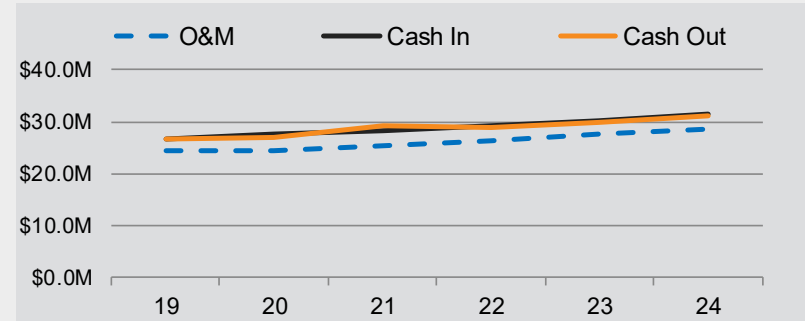
Recommendation is to approve new 5-year plan of annual rate adjustments (FY20 through FY24)

Fiscal Year	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Rate Adjustment	3.75%	3.75%	3.75%	3.75%	3.75%
Monthly Bill	\$32.91	\$34.14	\$35.42	\$36.75	\$38.13
\$ Change	\$1.19	\$1.23	\$1.28	\$1.33	\$1.38

Operating Fund

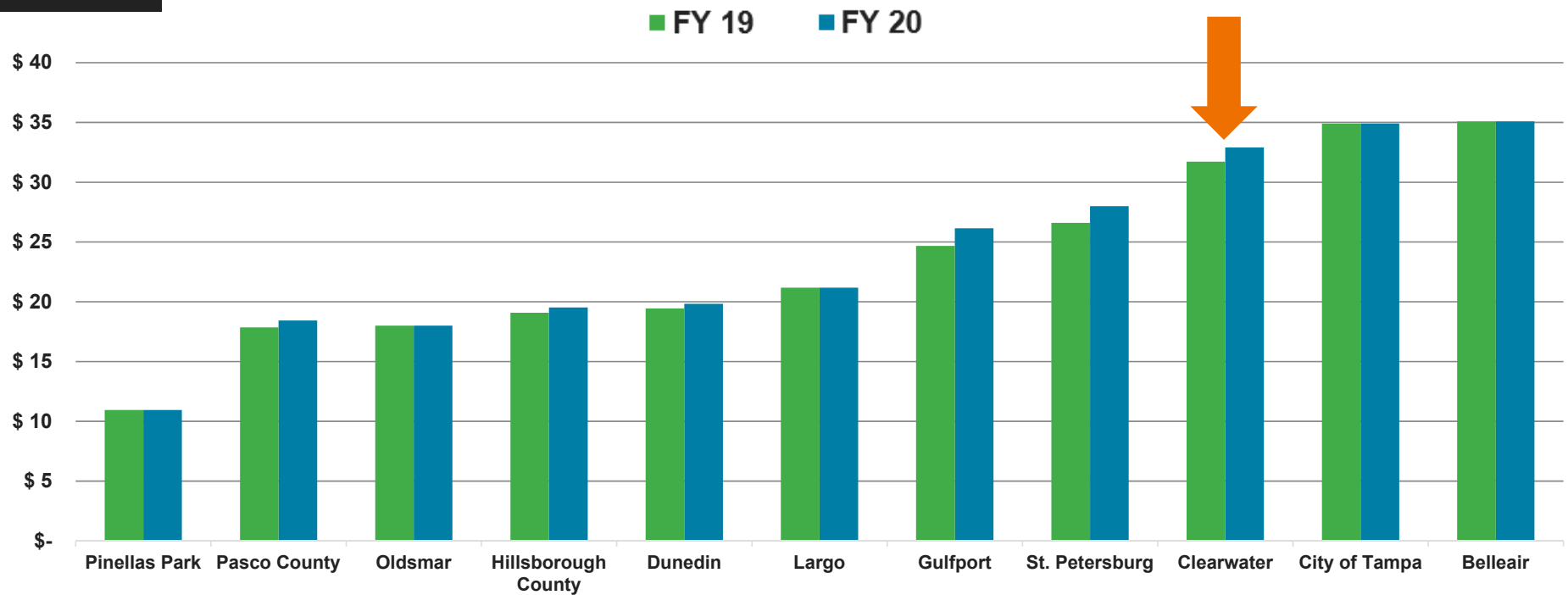


Revenues vs. Expenses



Local Cost Comparison

FY 19 & FY 20 Residential Solid Waste & Recycling Bill



Note: The bill comparisons presented on this survey do not consider frequency of trash and recycling pick up service or additional sanitation services/charges provided by each community. The level of service provided varies significantly by community.

Recommendations Summary

- **Approve a new 5-year plan of annual rate adjustments (FY 2020 through FY 2024)**
- **Financial Management Plan as presented:**
 - Ensures adequate reserve balances
- **Annual or bi-annual updates so necessary changes can be made to Financial Plan**
 - Driven by:
 - ✓ updated revenue and expense data
 - ✓ changes in economic conditions
 - ✓ contractual service costs
 - ✓ regulatory requirements

Typical Single-Family Residential Monthly Utility Bill

3,000 gallons of water & sewer volume

	FY 19	FY 20	\$ Change	% Change
Domestic Water	\$22.29	\$23.18	\$0.89	4.0%
Sewer	30.66	31.89	1.23	4.0%
Solid Waste	28.80	29.88	1.08	3.75%
Recycling	2.92	3.03	0.11	3.75%
Stormwater	14.65	13.40	-1.25	-8.50%
10% Utility Tax on Water	2.23	2.32	0.09	4.0%
Total	\$101.55	\$103.70	\$2.15	2.12%

Questions & Discussion