




**Interoffice Memorandum**

06:1605P93911-ARNV 

July 27, 2016

17-111-113-113

**TO:** Katie Smith, Manager Deputy Clerk Comptroller Clerk's Office

**THRU:** Cheryl Gillespie, Agenda Development


**FROM:** Raymond E. Hanson, P. E., Director, Utilities Department  FOR RAY HANSON

Contact: James Becker, Manager  
Solid Waste Division

**RE:** Request for Public Hearing - September 8, 2016;  
To adopt rate resolution and to consider exemptions from full solid waste collection service.

**Applicant:** N/A

**Location:** District: All

**Estimated time required for public hearing:** 7/15 minutes 

**Hearing controversial?** No; could have a few comments from public on appeals and mandatory program

**Advertising requirements:** Publish once in the legal classified section of the Orlando Sentinel

**Advertising timeframes:** Place ad 20 days prior to September 8, 2016, nor more than 30 days prior.

**Applicant/Abutters to be notified:** N/A

**Hearing required by Fla. Statute # or code:** F.S. 197.3632

**Spanish Contact Person:** Para más información, por favor llame al Departamento de Servicios Públicos del Condado de Orange y pida hablar con un representante en español. El número de teléfono es 407-836-6601

September 8, 2016 @ 5:01pm



## Interoffice Memorandum

Request for Public Hearing - September 8, 2016 BCC Budget Hearing  
July 27, 2016  
Page 2

Materials being submitted as backup for public hearing request:

1. Notice of Public Hearing/Sample
2. Mandatory Refuse Rate Resolution
3. Copy of Tentative Rate Approval by BCC, June 28, 2016
4. Mandatory Collection Appeals Service Year 2017 (will be distributed by the Department one (1) week prior to the public hearing).

### SPECIAL INSTRUCTIONS TO CLERK (IF ANY):

1. Please contact Marchelle Allen at 407-836-6673 to have the legal notice proofed and approved prior to publication.
2. Please return three (3) executed copies of the resolution to Luci Rowe, Utilities Department.
3. In the notice of public hearing, the contact information should be as follows:  
Orange County Utilities Solid Waste Division  
407-836-6601  
E-mail: Solid.Waste@ocfl.net

c: Ajit Lalchandani, P.E., County Administrator  
Christopher R. Testerman, AICP, Assistant County Administrator  
Eric Gassman, Assistant County Administrator  
Todd P. Swingle, P.E., Deputy Director, Utilities Department  
Teresa Remudo-Fries, P.E., Deputy Director, Utilities Department  
Andres Salcedo, P. E., Assistant Director, Utilities Department  
Tim Armstrong, Assistant Director, Utilities Department  
Lila Ingrate McHenry, Senior Assistant County Attorney, County Attorney's Office  
James W. Becker, Manager, Solid Waste Division, Utilities Department  
Glenn Kramer, Manager, Fiscal & Administrative Support Division, Utilities Department  
Marchelle Allen, Section Manager, Solid Waste Division, Utilities Department

## ORANGE COUNTY NOTICE OF PUBLIC HEARING

The Orange County Board of County Commissioners will conduct a public hearing on **September 8, 2016**, at **5:01 p.m.**, or as soon thereafter as possible, in the County Commission Chambers, First Floor, County Administration Center, 201 South Rosalind Avenue, Orlando, Florida. You are invited to attend and be heard regarding a proposed resolution as follows:

**Consideration: RESOLUTION OF THE ORANGE COUNTY BOARD OF COUNTY COMMISSIONERS ESTABLISHING THE CALENDAR YEAR 2017 SPECIAL ASSESSMENT AT \$200.00 FOR RESIDENTIAL FULL SOLID WASTE AND RECYCLING COLLECTION, WITHIN UNINCORPORATED ORANGE COUNTY, PURSUANT TO CHAPTER 32 OF THE ORANGE COUNTY CODE. THE SPECIAL ASSESSMENT SHALL APPEAR ON THE PROPERTY TAX BILL AND SHALL BE COLLECTED IN THE SAME MANNER AS AD VALOREM TAXES, AS AUTHORIZED BY STATE LAW.**

You may examine the notice and the proposed resolution at the office of the Comptroller Clerk of the Board of County Commissioners, 201 South Rosalind Avenue, Fourth Floor; Orlando, Florida; between 8 a.m. and 5 p.m., Monday through Friday.

**IF YOU HAVE ANY QUESTIONS REGARDING THIS NOTICE OF PUBLIC HEARING, CONTACT THE ORANGE COUNTY UTILITIES SOLID WASTE DIVISION, 407-836-6601, E-mail: [Solid.Waste@ocfl.net](mailto:Solid.Waste@ocfl.net)**

**Para más información, por favor llame al Departamento de Servicios Públicos del Condado de Orange y pida hablar con un representante en español. El número de teléfono es 407-836-6601.**

**If you wish to appeal any decision made by the Board of County Commissioners at this meeting you will need a record of the proceedings. You should ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.**

**If you require special accommodations under the Americans with Disabilities Act of 1990, please call 407-836-5631 no later than two business days prior to the hearing for assistance. Si usted requiere ayuda especial bajo la ley de Americanos con Incapacidades de 1990, por favor llame al 407-836-3111.**

Martha O. Haynie, County Comptroller  
As Clerk of the Board of County Commissioners  
Orange County, Florida

Publish: **August , 2016**; The Orlando Sentinel Public Record  
Certify: Mandatory Refuse Rate Resolution and exemptions from full solid waste and recycling collection service

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c: All Board Members' Offices [email]  
County Attorney's Office, BCC [Vermotta Jackson email]  
Raymond E. Hanson, Director, Utilities Department, BCC [email]  
Jim Becker, Solid Waste Division, BCC [email]  
Mike Seif, Orange TV, BCC [email]  
Deputy Clerk  
Chris Schmidt, Development Services Analyst, BCC [email]

# RESOLUTION

*of the*

**ORANGE COUNTY BOARD OF COUNTY COMMISSIONERS**

*regarding*

**ESTABLISHING THE CALENDAR YEAR 2017 SPECIAL  
ASSESSMENT AT \$200.00 FOR RESIDENTIAL FULL SOLID  
WASTE AND RECYCLING COLLECTION, PURSUANT TO  
CHAPTER 32 OF THE ORANGE COUNTY CODE**

**Resolution No. \_\_\_\_\_**

WHEREAS, Section 32-160(j)(1), Orange County Code, addresses full solid waste and recycling collection service (full service) and requires that all persons owning property entitled to full service shall be obligated to pay a charge established by the Board for such full service; and

WHEREAS, Section 32-160(j)(1), Orange County Code, requires that the assessments necessary to fund the program shall be established by resolution of the Board of County Commissioners after public hearing with public notice in the same manner as for County ordinances; and

WHEREAS, a copy of this resolution has been published in accordance with state law, prior to this September 8, 2016 hearing; and

WHEREAS, the Board of County Commissioners on June 28, 2016 tentatively set the amount for the residential mandatory solid waste and recycling collection service special assessment for calendar year 2017 at \$200.00.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY  
COMMISSIONERS OF ORANGE COUNTY:

Section 1. The calendar year 2017 special assessment for the mandatory residential full service program is hereby established at \$200.00 (the special assessment). Such special assessment is necessary to fund the cost of providing solid waste collection and recycling service to approximately 211,977 residences in 2017 at an annual estimated cost of \$42,395,400.

34           Section 2. The special assessment shall continue to be imposed upon any parcel of land  
within unincorporated Orange County on which is located: a mobile home park not exceeding  
36           four (4) dwelling units, mobile home subdivisions, single-family residences, and multi-family  
residences not exceeding four (4) dwelling units under one common roof. Each dwelling unit in  
38           a multi-family residence shall constitute a separate benefit unit.

Section 3. The special assessment shall continue through calendar year 2017 in all  
40           respects as described in Orange County Resolution 85-SW-06, as amended, and Chapter 32 of  
the Orange County Code, as amended, providing for the procedure by which solid waste and  
42           recycling shall be collected and disposed of in Orange County. The special assessment shall  
appear on the property tax bill and shall be collected in the same manner as ad valorem taxes, as  
44           authorized by state law.

Section 4. The annual rate of compensation paid to the franchisees providing solid waste  
46           collection and recycling services is set as follows:

48	ZONE 1	\$119.37 PER RESIDENTIAL UNIT
	ZONE 2	\$152.13 PER RESIDENTIAL UNIT
	ZONE 3	\$130.09 PER RESIDENTIAL UNIT
50	ZONE 4	\$109.79 PER RESIDENTIAL UNIT
	ZONE 5	\$111.94 PER RESIDENTIAL UNIT

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Section 5. This resolution shall take effect immediately.

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ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

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ORANGE COUNTY, FLORIDA  
By: Board of County Commissioners

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By: \_\_\_\_\_  
Teresa Jacobs  
County Mayor

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ATTEST: Martha O. Haynie, County Comptroller  
As Clerk to the Board of County Commissioners

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By: \_\_\_\_\_  
Deputy Clerk

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Interoffice Memorandum

BCC Mtg. Date: Jun. 28, 2016

June 13, 2016

**TO:** Mayor Teresa Jacobs  
and Board of County Commissioners

**FROM:** Raymond E. Hanson, P. E., Director  
Utilities Department

**SUBJECT: BCC AGENDA ITEM - Discussion Agenda  
June 28, 2016 BCC Meeting  
Tentative Mandatory Refuse Collection Program MSBU  
Contact Person: James Becker, Manager  
Solid Waste Division  
407-254-9660**

In order to include the Mandatory Refuse and Recycling Program MSBU on the Notice of Proposed Taxes, Section 32-183 of the Orange County Code requires that the Board set the tentative annual rate for the residential collection of solid waste and recyclables by July 15 of each year. The final approval of the MSBU will occur during the budget hearings in September.

The Mandatory Refuse and Recycling Program MSBU has three components: Hauler Compensation, Disposal Costs, and Program Administration Costs.

**Hauler Compensation**

In accordance with Section 11, Special Terms and Conditions of the Residential Solid Waste and Recyclable Collection Services Term Contract, the contractors shall receive an annual adjustment in the compensation per household based on the Consumer Price Index methodology, explained in Attachment D of the contract. The compensation to the franchisees for calendar year 2017 will be as follows:

ZONE 1	\$119.37	PER RESIDENTIAL UNIT,
ZONE 2	\$152.13	PER RESIDENTIAL UNIT,
ZONE 3	\$130.09	PER RESIDENTIAL UNIT,
ZONE 4	\$109.79	PER RESIDENTIAL UNIT,
ZONE 5	\$111.94	PER RESIDENTIAL UNIT.

The system average for the 2017 hauler compensation component is \$124.73 and is recommended by staff. This is a \$0.63 or 0.5% decrease from the 2016 hauler collection component of \$125.36 per household.

**Disposal Costs**

The disposal component of the MSBU represents the cost for disposing of the residential solid waste material. The disposal component of the MSBU is calculated at \$44.47 per household for 2017. This represents \$0.78 or 1.8% increase from the 2016 disposal component.

**Program Administration Costs**

The program administration cost component represents the cost per household for operation and administration of the Mandatory Refuse and Residential Recycling Programs. The 2017 Program Administration costs increased 52.7%, from \$8.63 to \$13.18, for an increase of \$4.55 per household.

**Cart Component**

The cart component cost represents the cost per household per year for the purchase of new and replacement carts over the term of the contract. This amount remains unchanged at \$8.33

**MSBU Rate Recommendation**

The total cost of the program for 2017 is \$191.21 per household. While the program cost is projected to increase, staff recommends the projected cost of the program for 2017 remain unchanged at \$200 per household.

**ACTION REQUESTED:**

**Approval to establish the haulers compensation rates as listed and set the MSBU at \$200 for Program Year 2017 and authorization to include the Tentative Mandatory Refuse Collection Rate of \$200 on the 2016 Notice of Proposed Taxes.**

**All Districts.**





## Interoffice Memorandum

May 10, 2016

To: James Becker, Manager  
Solid Waste Division

From: Glenn Kramer, Manager   
Utilities Fiscal & Operational Support Division

Subject: **Calendar Year 2017 MSBU Rate Recommendation  
Mandatory Refuse & Recycling Program**

The Orange County Residential Solid Waste and Recyclable Collection Services Term Contract, Y15-144, established a basis for adjusting the collection payment to the franchise haulers each subsequent year of the contract. This adjustment must be calculated during the budget process each year to ensure that the collection expense for the next fiscal year is properly budgeted.

The payment to the franchise haulers for collection services and the related disposal expense are the key components of the MSBU rate, which funds the Mandatory Refuse & Recycling Program (Program). As such, analysis must be performed to evaluate the impact of these components on the MSBU rate for the next calendar year and to determine whether an adjustment to the rate is warranted.

The purpose of this memorandum is to provide you with the revised collection, disposal, and program costs effective January 2017 and our MSBU rate recommendation for calendar year 2017.

### **Analysis – Calendar Year 2017**

#### Hauler Collection Compensation

The hauler collection compensation component represents a system-wide average collection price per household for all zones in the program. Using a system average is necessary to evaluate the MSBU rate because the competitive bidding process established collection prices that varied among the 5 zones.

Utilizing the Consumer Price Index methodology established in the contract, a *decrease* of 0.73% has been calculated for calendar year 2017 as compared to the calendar year 2016 collection compensation. After applying this decrease to each of the 5 zones and projecting customer growth for 2017, the average system cost for collection decreases to \$124.73 per household. This represents a \$0.63, or 0.5%, decrease from the 2016 hauler collection compensation component of \$125.36.

#### Disposal Component

The disposal cost component of the MSBU rate represents the average disposal cost per household for all zones in the program. Using a system average is necessary because each of the contracts for the five zones establishes waste generation rates that vary



## 2017 MSBU Rate Recommendation

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among the zones. The contracts established a waste generation rate for each zone for both Class I and yardwaste tonnages. As these rates are an upper-limit, our analysis projects the Class I and yardwaste waste generation rates for 2017 based on actual experience for the tonnage per household received over the past seven years.

Using this method, the 2017 average waste generation rate for Class I garbage is 1.09 tons per household and 0.27 tons per household for yardwaste. Using the current Class I disposal rate of \$33.60 per ton and the current yardwaste rate of \$29.00 per ton, the disposal component is calculated to be \$44.47 for 2017. This represents a \$0.78 or 1.8% increase from the 2016 disposal component.

### Program Administration Component

The program administration cost component represents the cost per household for operation and administration of the program based on the budget for the corresponding fiscal year. For 2017, the program administration component calculates at \$13.18 per household, which is a \$4.55 or 52.7% increase from the 2016 administration component of \$8.63.

This increase is the result of two factors. First, the amount of rejected loads of recyclables has increased. As you know, automated collection is new to our customers, and as part of the transition there have been issues as to what types of items are to be placed in the recycling carts. A greater than normal number of residential loads coming to the recycling facilities have been rejected as they contain more household garbage than standards allow. The transfer of these rejected loads to the proper disposal area is an additional cost to the Program's administration. Second, the contract for the operation of the County's recycling facility will expire in June 2017. As the terms and costs of a replacement contract to process the Program's recyclables is uncertain, contingency funding has been budgeted to cover the likely increased costs the Program will bear beginning in July 2017.

### Cart Component

The cart component cost represents the cost per household per year for the purchase of new and replacement carts over the term of the contract. This amount remains unchanged at \$8.33.

### Cost Component Total

The 2016 Program cost on a per-household basis was \$186.51. Due to the increases in the disposal and administration components, which are partially offset by a decrease in the collection component, the projected cost of the program for 2017 is \$191.21 per household. The following table compares the Program cost for 2016 to the projected Program cost for 2017:



**2017 MSBU Rate Recommendation**

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	Current 2016	Projected 2017	2016 to 2017 Variance
Collection	\$125.36	\$124.73	\$(0.63)
Disposal	43.69	44.47	0.78
Administration	8.63	13.18	4.55
Cart	8.83	8.83	0.00
<b>Program Cost Per Customer</b>	<b>\$186.51</b>	<b>\$191.21</b>	<b>\$4.70</b>

**Recommendation**

While the Program cost is projected to increase, we are recommending that the MSBU rate for the second year of the 10-year contract period remain at \$200.00 per household. This will continue to provide a reduced rate stabilization component to the MSBU rate as follows:

	Current 2016	Projected 2017	2016 to 2017 Variance
Collection	\$125.36	\$124.73	\$(0.63)
Disposal	43.69	44.47	0.78
Administration	8.63	13.18	4.55
Cart	8.83	8.83	0.00
<i>Rate Stabilization</i>	<i>13.49</i>	<i>8.79</i>	<i>(4.70)</i>
<b>MSBU Cost per Customer</b>	<b>\$200.00</b>	<b>\$200.00</b>	<b>\$0.00</b>

In evaluating the existing and projected cash reserves of the program, we have determined that the revenue generated by holding the MSBU rate at this amount will be sufficient to maintain the program's financial viability. The rate stabilization component will provide approximately \$1.9M additional funding in 2017, and it allows the Program to continue replenishing its reserves after the initial \$20M cart purchase in 2015, which was required for automated collection. Over the next several years, rebuilding reserves in this manner will be needed to achieve the target reserve level. By doing this, the Program will be in a healthier financial position to address future budgetary needs that may arise.

If you have, any questions regarding this recommendation, please feel free to contact me.

- c: Raymond E. Hanson, P.E., Director, Utilities Department
- Teresa Remudo-Fries, P.E., Deputy Director, Utilities Department
- Todd Swingle, P.E., Deputy Director, Utilities Department
- Tim Armstrong, Assistant Director, Utilities Department
- Helaine Zarek, Financial Administrator, Fiscal & Operational Support Division
- Marchelle Allen, Utilities Section Manager, Solid Waste Division
- Michelle Driscoll-Begy, Sr. Financial Analyst, Fiscal & Operational Support Division