



**City of Dunsmuir  
Solid Waste Rate Study  
Draft Report**

Prepared by



Solid Waste Consultants  
to Local Government

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**City of Dunsmuir  
Solid Waste Rate Study**

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## 1. BACKGROUND

The City of Dunsmuir (City) is responsible for providing its residents and businesses with refuse collection and street sweeping service. The City arranges for refuse collection through an exclusive franchise agreement (Agreement) with Clemens Waste Removal Inc. (Clemens). Under the terms of the Agreement, Clemens has the exclusive right and obligation to provide refuse collection and disposal services to all residential and commercial premises within the City. The City provides street sweeping service using its own staff and equipment.

The City directly bills residential and commercial customers for monthly refuse collection service in conjunction with its billing of water and sewer service. The revenues generated from the City's refuse rates are intended to cover the following costs:

- The amount that the City pays to Clemens for collection service, including Clemens' cost of disposal tipping fees.
- The City's cost to provide street sweeping service, and to replace old sweepers.
- The City's administrative costs of overseeing the refuse collection and street sweeping programs.

The revenues received from refuse rates, and the City's refuse and street sweeping expenses are recorded in the City's solid waste enterprise fund.

In 2016, the State adopted SB 1383, which became effective in January 2022. This new unfunded mandate requires all jurisdictions to provide organics waste recycling services to all residents and businesses. The purpose of this new law is to reduce the amount of organics that are buried in the landfill. When organic material is buried in landfills, it converts to methane and seeps into the atmosphere. Methane is potent heat trapping gas that contributes to global warming.

Because the City has fewer than 7,500 residents, it qualifies for a rural exception under SB 1383. As a result, the City is not required to comply with the SB 1383 until January 1, 2027. At that time, the City will be required to collect source-separated recyclables and organics from every residential and commercial customer in the City.

The City's enterprise fund has experienced losses in recent years. Annual revenues received from refuse rates have fallen short of annual expenditures. As a result, the City has depleted its cash reserve in the solid waste enterprise fund. As of June 30, 2023, the solid waste enterprise fund had a negative cash balance of \$114,000.

When the City is required to comply with SB 1383, Clemens' will need to acquire additional containers to implement source-separated recyclables and organics waste collection service. As a result, the amount that the City pays to Clemens will increase.

In addition, the City's street sweeper, now over ten years old, is nearing the end of its useful life. The City will need to purchase a new sweeper in the near future. These factors together create upward pressure on City's waste collection rates.

The City retained MSW Consultants to perform this solid waste rate study. The purpose of the study was to analyze the City's revenue, expense and cash balance over ten years, and recommend rate adjustments to meet the City's management objectives. This report is the result of that study.

## **2. STUDY OBJECTIVES, APPROACH, AND LIMITATIONS**

### **2.1 Study Objectives**

The project objectives of this solid waste rate study project are to:

- Ensure that the revenues generated by the City's solid waste rates are adequate to cover current operations and maintenance costs while accounting for anticipated SB 1383 cost increases over a ten-year planning horizon.
- Ensure that the proposed rates are in compliance with all applicable laws, including but not limited to Proposition 218.

### **2.2 Approach**

To perform this analysis, we gathered financial and operational information from the City including financial reports, tonnage information, capital budgets, hauler's expense schedule, and customer billing information. To ensure the accuracy of the model, we reconciled the calculated revenues, expenses and cash balance in the model to the numbers in the City's financial reports.

We projected the City's annual revenue and expenditures over a ten-year period based on assumptions about future cost increases, inflation, and customer growth. The financial analysis also considers the overall impact of customer subscription levels, rates revenues, expenditures, intra-city loan proceeds and paybacks on the City's solid waste enterprise fund.

The financial analysis is based on the City's current and projected expenditures, which were used to project the City's operating results and resulting cash balance under two scenarios. The first scenario assumes that rates are not adjusted. The second scenario assumes that the City implemented the recommended rate adjustments.

### **2.3 Limitations**

The financial projections in the financial plan analysis are subject to certain limitations. These projections were prepared pursuant to the approach described above and are based on the City's current number and mix of services. Moreover, the projections are based on assumptions regarding future inflation and customer volume growth. Since events and circumstances sometimes do not occur as planned, there may be differences between the projected and actual operating results, and those differences may be material. Finally, these projections were prepared for the sole use of the City for the purpose of analyzing the City's solid waste enterprise fund. They are not intended to be used for any other purpose.

### 3. CURRENT AND PROJECTED EXPENDITURES

The total expenditures in the City’s solid waste enterprise fund include City expenses, hauler expenses, and tipping fees. City expenses include City salaries attributable to street sweeping and general management of the solid waste program. In future years, City expenses will include the annual payment for a new street sweeper, and the solid waste fund’s portion of the debt service for a new public works building. Hauler expenses include the compensation paid to Clemens pursuant to its solid waste franchise agreement with the City. Tipping fees include the amount paid to Clemens to reimburse its cost of delivering waste to the transfer station.

Table 1 below shows the City’s projected operating expense based on its current expenditures and an assumed inflation rate of 6%. Table 1 shows that City’s expenditures are expected to increase significantly in FY 2024, FY 2026 and FY 2027, followed by more modest increases. The significant increase in FY 2024 is primarily due to materials and supplies. The significant increase in FY 2026 is primarily due to cost to build new public works building. The significant increase in FY 2027 is due to procurement of new sweepers for street sweeping service.

**Table 1 – Projected City Expenditures**

Description	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Salaries and Benefits	\$83	\$88	\$93	\$98	\$104	\$111	\$117	\$124	\$132	\$140
Professional Services	10	11	15	16	17	17	18	19	20	21
Contract/ Special Services	4	4	4	5	5	5	6	6	6	7
Mgmt/ Admin Charges	28	30	32	34	36	38	40	43	45	48
Vehicles	0	1	1	1	1	1	1	1	1	1
Building Maintenance	7	7	8	8	9	9	10	11	11	12
Public Work Building	0	0	0	15	15	15	15	15	15	15
Materials and Supplies	10	71	11	12	13	13	14	15	16	17
Sweeper Payment	0	0	0	0	82	82	82	82	82	82
Special Projects	1	1	1	1	1	2	2	2	2	2
<b>Total City Expenditures</b>	<b>\$143</b>	<b>\$212</b>	<b>\$165</b>	<b>\$190</b>	<b>\$282</b>	<b>\$293</b>	<b>\$305</b>	<b>\$317</b>	<b>\$330</b>	<b>\$343</b>

(in 000s)

Table 2 in the following page shows the hauler’s projected expenditures. Table 2 shows that hauler’s expenditures are projected to increase significantly in FY 2027, primarily due to procurement of new trucks and organic waste containers, and an increase in salary expense due to the hiring of an additional driver.

The Table 3 further below on following page shows the projected landfill tip fees based on the projected tipping fee and number of tons of each type of material (refuse, recyclables, and organics). The total tons of solid waste collected are projected to remain approximately 1,000 tons per year; the recycling and organic waste tons are the refuse tons diverted from landfill. The Table 3 shows that the City is likely to have lower tipping fee payments from FY 2027 through FY 2030. This reduction in tipping fee payments is attributed to the implementation



of the source-separated recycling and organic waste collection services, and paying a lower tipping fee for the diverted materials.

**Table 2 – Projected Hauler Expenditures**

Description	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Operating Cost	\$51	\$53	\$56	\$59	\$80	\$85	\$90	\$95	\$101	\$107
Truck	40	41	51	54	79	83	88	94	99	105
Insurance	38	43	20	21	29	33	35	37	39	42
Payroll	46	47	73	77	150	159	169	179	189	201
Taxes	2	2	2	3	3	3	3	3	4	4
New Truck #1 pmts	31	31	42	42	42	0	0	0	0	0
New Truck #2 pmts	39	39	32	32	32	32	0	0	0	0
New Truck #3 pmts	0	0	0	0	29	58	58	58	58	29
Containers	0	0	0	0	13	27	27	27	27	13
Profit	\$75	\$77	\$82	\$87	\$92	\$98	\$104	\$110	\$116	\$123
Other Income	8	14	14	14	14	14	14	14	14	14
<b>Total Hauler Expenditure:</b>	<b>\$331</b>	<b>\$348</b>	<b>\$372</b>	<b>\$389</b>	<b>\$563</b>	<b>\$592</b>	<b>\$587</b>	<b>\$617</b>	<b>\$648</b>	<b>\$638</b>

(in 000s)

**Table 3 – Projected Tipping Fees**

Description	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
<u>Tipping Fee</u>										
Refuse	\$77.29	\$82.00	\$102.00	\$108.12	\$114.61	\$121.48	\$128.77	\$136.50	\$144.69	\$153.37
Recycling					40.00	40.00	40.00	40.00	40.00	40.00
Organics					\$97.66	\$103.52	\$109.73	\$116.32	\$123.30	\$130.70
<u>Tonnage</u>										
Refuse	1,005	1,050	1,050	1,050	800	700	600	600	600	600
Recycling					100	150	200	200	200	200
Organics					100	150	200	200	200	200
<u>Tipping Fee Payment</u>										
Refuse	\$78	\$86	\$107	\$114	\$92	\$85	\$77	\$82	\$87	\$92
Recycling					4	6	8	8	8	8
Organics					10	16	22	23	25	26
Reconciliation Amount	4									
<b>Total Tipping Fee Paymen</b>	<b>\$82</b>	<b>\$86</b>	<b>\$107</b>	<b>\$114</b>	<b>\$106</b>	<b>\$107</b>	<b>\$107</b>	<b>\$113</b>	<b>\$120</b>	<b>\$126</b>

(Tipping Fee Payment in 000s)

Table 4 on the following page summarizes the City expenses, hauler expenses, and tipping fees to show the total expenditures in the solid waste enterprise fund. The total current and projected total projected expenditures are used in both scenarios in Section 4 and Section 5.

**Table 4 – Total Expenditures**

Description	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
City Expenditures	\$143	\$212	\$165	\$190	\$282	\$293	\$305	\$317	\$330	\$343
Hauler Expenditures	331	348	372	389	563	592	587	617	648	638
Tipping Fees	82	86	107	114	106	107	107	113	120	126
<b>Total Expenditures</b>	<b>\$557</b>	<b>\$647</b>	<b>\$644</b>	<b>\$693</b>	<b>\$951</b>	<b>\$992</b>	<b>\$999</b>	<b>\$1,046</b>	<b>\$1,097</b>	<b>\$1,108</b>

(in 000s)

#### 4. PROJECTED OPERATING RESULTS AND CASH BALANCE AT CURRENT RATES

The projected operating results and cash balance at current rates is based on total projected revenue at current rates less the total projected expenditures. This section of the report shows the impact on the solid waste enterprise fund if rates are not adjusted.

##### 4.1 Projected Revenues at Current Rates

Table 5 and Table 6 are used to calculate the projected total revenue at current rates in Table 7. Table 5 shows the current rates for each level of service. Table 6 shows the number of units at each level of service. The number of units is projected to grow by 1% per year. Table 7 shows the total projected revenue at current rates by multiplying the rates in Table 5 by the units in Table 6.

**Table 5 – Current Service Rates**

Description	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
1 Yard Dumpster	\$81.65	\$84.51	\$84.51	\$84.51	\$84.51	\$84.51	\$84.51	\$84.51	\$84.51	\$84.51
1.5 Yard Dumpster	93.94	93.94	93.94	93.94	93.94	93.94	93.94	93.94	93.94	93.94
2 Yard Dumpster	132.51	137.15	137.15	137.15	137.15	137.15	137.15	137.15	137.15	137.15
3 Yard Dumpster	174.38	174.38	174.38	174.38	174.38	174.38	174.38	174.38	174.38	174.38
Medical Dumpster (split in 3)	55.41	55.41	55.41	55.41	55.41	55.41	55.41	55.41	55.41	55.41
65 Gallon Can	24.26	25.11	25.11	25.11	25.11	25.11	25.11	25.11	25.11	25.11
95 Gallon Can	\$35.68	\$36.93	\$36.93	\$36.93	\$36.93	\$36.93	\$36.93	\$36.93	\$36.93	\$36.93

**Table 6 – Number of Units**

Description	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
1 Yard Dumpster	2	2	2	2	2	2	2	2	2	2
1.5 Yard Dumpster	2	2	2	2	2	2	2	2	2	2
2 Yard Dumpster	35	35	35	36	36	36	37	37	38	38
3 Yard Dumpster	3	3	3	3	3	3	3	3	3	3
Medical Dumpster (split in 3)	3	3	3	3	3	3	3	3	3	3
65 Gallon Can	1,009	1,009	1,019	1,029	1,040	1,050	1,060	1,071	1,082	1,093
95 Gallon Can	107	107	108	109	110	111	112	114	115	116

Table 7 on the following page shows the City’s operating revenues include rate revenues, rental charge revenue, and extra garbage fee revenue. The rate revenues are calculated using existing waste service rates multiplied by the number of multipliers (units) at each level of service. In addition to the rate revenue, the City receives dumpster rental revenue and extra garbage fees. These are added to the rate revenue at the bottom of Table 7. Table 7 shows that, if rates are not adjusted, rate revenue will only grow modestly due to customer volume growth.

**Table 7 – Rate Revenue without Adjustment and Other Operating Revenue**

Description	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
1 Yard Dumpster	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2
1.5 Yard Dumpster	2	2	2	2	2	2	2	2	2	2
2 Yard Dumpster	56	58	58	59	59	60	61	61	62	62
3 Yard Dumpster	6	6	6	6	6	7	7	7	7	7
Medical Dumpster (split in	2	2	2	2	2	2	2	2	2	2
65 Gallon Can	294	304	307	310	313	316	320	323	326	329
95 Gallon Can	\$46	\$47	\$48	\$48	\$49	\$49	\$50	\$50	\$51	\$51
<b>Total Rate Revenue</b>	<b>\$408</b>	<b>\$421</b>	<b>\$425</b>	<b>\$429</b>	<b>\$433</b>	<b>\$438</b>	<b>\$444</b>	<b>\$447</b>	<b>\$452</b>	<b>\$455</b>
Dumpster Rental	\$10	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$12
Extra Garbage Fees	15	15	15	15	15	15	15	15	15	15
Reconciliation Amount	7									
<b>Total Operating Revenue</b>	<b>\$440</b>	<b>\$447</b>	<b>\$451</b>	<b>\$455</b>	<b>\$459</b>	<b>\$464</b>	<b>\$470</b>	<b>\$473</b>	<b>\$478</b>	<b>\$482</b>

(in 000s)

#### 4.2 Projected Operating Results and Cash Balance at Current Rates

Table 8 shows the projected shortfall each year by comparing the total projected revenue with total projected operating expenses. Table 8 also shows the impact of the shortfall on the cash balance in the solid waste enterprise fund. The total operating revenue at the top of Table 8 is from the total revenue calculated in Table 7. The total operating expense in Table 8 is from the amounts shown in Table 4. Table 8 shows that, if rates are not adjusted, the negative cash balance in the solid waste enterprise fund will continue to grow.

**Table 8 – Projected Operating Results and Cash Balance at Current Rates**

Description	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Operating Revenue	\$440	\$447	\$451	\$456	\$460	\$464	\$469	\$473	\$478	\$483
Non-operating Revenue	5	5	5	5	5	5	5	5	5	5
<b>Total Revenues</b>	<b>\$445</b>	<b>\$452</b>	<b>\$456</b>	<b>\$461</b>	<b>\$465</b>	<b>\$469</b>	<b>\$474</b>	<b>\$478</b>	<b>\$483</b>	<b>\$488</b>
Operating Expenses	\$556	\$647	\$644	\$692	\$950	\$991	\$999	\$1,047	\$1,097	\$1,108
<b>Surplus /(Shortfall)</b>	<b>(\$112)</b>	<b>(\$195)</b>	<b>(\$188)</b>	<b>(\$232)</b>	<b>(\$486)</b>	<b>(\$522)</b>	<b>(\$525)</b>	<b>(\$568)</b>	<b>(\$614)</b>	<b>(\$620)</b>

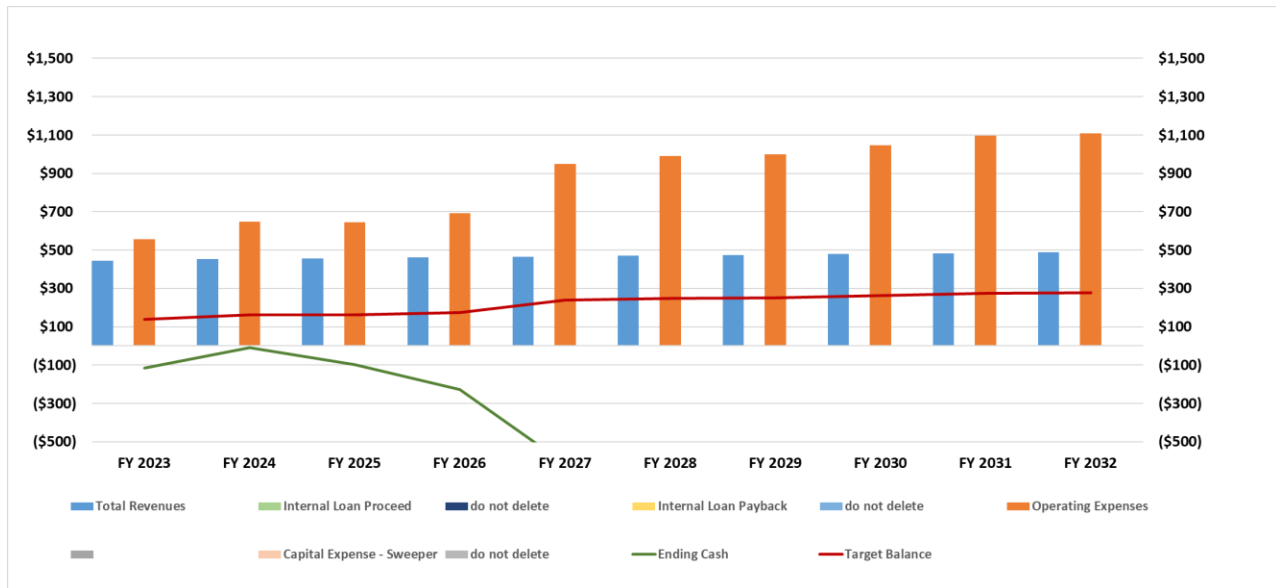
##### Changes to Cash Reserve

Beginning Cash	\$0	(\$114)	(\$9)	(\$97)	(\$229)	(\$615)	(\$1,236)	(\$1,862)	(\$2,530)	(\$3,244)
Surplus or (Shortfall)	(\$112)	(\$195)	(\$188)	(\$232)	(\$486)	(\$522)	(\$525)	(\$568)	(\$614)	(\$620)
Internal Loan Proceed	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Internal Loan Payback	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Changes to Cash	(\$3)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Cash</b>	<b>(\$114)</b>	<b>(\$9)</b>	<b>(\$97)</b>	<b>(\$229)</b>	<b>(\$615)</b>	<b>(\$1,236)</b>	<b>(\$1,862)</b>	<b>(\$2,530)</b>	<b>(\$3,244)</b>	<b>(\$3,964)</b>
Reserve Target	\$139	\$162	\$161	\$173	\$238	\$248	\$250	\$262	\$274	\$277

(in 000s)

Chart 1 below graphically shows the relationship between revenues and expenses, and the resulting impact on the cash balance in the solid waste enterprise fund if rates are not adjusted.

**Chart 1 - Projected Operating Results and Cash Balance at Current Rates**



## 5. PROJECTED OPERATING RESULTS, INTERNAL LOANS, AND CASH BALANCE AT PROPOSED RATES

To avoid further depletion of the cash balance in the solid waste enterprise fund, and to provide enough revenue to purchase a new sweeper and comply with SB 1383, we recommend a combination of rate adjustments and intra-city borrowing. Our recommended rate adjustments are shown below in Table 9. The intra-city borrowing is shown further below in Table 13. As shown in Table 9, we recommend that the City increase its solid waste rates by 24% starting on October 1, 2024, and followed by additional 24% adjustments on July 1 of 2025 and 2026. These rate adjustments should be followed by an increase of 20% effective July 1, 2027, and increase of 9% effective July 1, 2028, and an increase of 5% effective July 1, 2029.

The impact of these rate adjustments on the most common levels of service are shown below in Table 9.

**Table 9 – Recommended Service Rates**

Description	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Annual Rate Adjustment			24.0%	24.0%	24.0%	20.0%	9.0%	5.0%	0.0%	0.0%
65 Gallon Can Increase Amount	\$24.26	\$25.11	\$31.14 \$6.03	\$38.61 \$7.47	\$47.88 \$9.27	\$57.45 \$9.58	\$62.62 \$5.17	\$65.75 \$3.13	\$65.75 \$0.00	\$65.75 \$0.00
95 Gallon Can Increase Amount	\$35.68	\$36.93	\$45.79 \$8.86	\$56.78 \$10.99	\$70.41 \$13.63	\$84.49 \$14.08	\$92.10 \$7.60	\$96.70 \$4.60	\$96.70 \$0.00	\$96.70 \$0.00
2 Yard Dumpster Increase Amount	\$132.51	\$137.15	\$170.07 \$32.92	\$210.88 \$40.82	\$261.49 \$50.61	\$313.79 \$52.30	\$342.03 \$28.24	\$359.14 \$17.10	\$359.14 \$0.00	\$359.14 \$0.00

### 5.1 Projected Revenues at Recommended Rates

Table 10 and Table 11 are used to calculate the projected total revenue at the recommended rates. Table 10 shows the recommended rates for each level of service. Table 11 shows the number of units at each level of service. The number of units is projected to grow by 1% per year. Table 12 shows the total projected revenue at the recommended rates by multiplying the rates in Table 10 by the units in Table 11.

**Table 10 – Recommended Service Rates**

Description	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
1 Yard Dumpster	\$81.65	\$84.51	\$104.79	\$129.94	\$161.13	\$193.35	\$210.76	\$221.29	\$221.29	\$221.29
1.5 Yard Dumpster	93.94	93.94	116.49	144.44	179.11	214.93	234.27	245.99	245.99	245.99
2 Yard Dumpster	132.51	137.15	170.07	210.88	261.49	313.79	342.03	359.14	359.14	359.14
3 Yard Dumpster	174.38	174.38	216.23	268.13	332.48	398.97	434.88	456.62	456.62	456.62
Medical Dumpster (split in	55.41	55.41	68.71	85.20	105.65	126.78	138.19	145.09	145.09	145.09
65 Gallon Can	24.26	25.11	31.14	38.61	47.88	57.45	62.62	65.75	65.75	65.75
95 Gallon Can	\$35.68	\$36.93	\$45.79	\$56.78	\$70.41	\$84.49	\$92.10	\$96.70	\$96.70	\$96.70

**Table 11 - Number of Units**

Description	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
1 Yard Dumpster	2	2	2	2	2	2	2	2	2	2
1.5 Yard Dumpster	2	2	2	2	2	2	2	2	2	2
2 Yard Dumpster	35	35	35	36	36	36	37	37	38	38
3 Yard Dumpster	3	3	3	3	3	3	3	3	3	3
Medical Dumpster (split in	3	3	3	3	3	3	3	3	3	3
65 Gallon Can	1,009	1,009	1,019	1,029	1,040	1,050	1,060	1,071	1,082	1,093
95 Gallon Can	107	107	108	109	110	111	112	114	115	116

Table 12 below shows the City’s operating revenues include rate revenues, rental charge revenue, and extra garbage fee revenue. The rate revenues are calculated using the recommended rates multiplied by the number of units at each level of service. In addition to the rate revenue, the City receives dumpster rental revenue and extra garbage fees. These are added to the rate revenue at the bottom of Table 12. Table 12 shows that, if rates are adjusted based on the recommended rate adjustments, rate revenue will grow significantly.

**Table 12 – Rate Revenue with Adjustment and Other Operating Revenue**

Description	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
1 Yard Dumpster	\$2	\$2	\$3	\$3	\$4	\$5	\$5	\$6	\$6	\$6
1.5 Yard Dumpster	2	2	3	4	4	5	6	6	6	6
2 Yard Dumpster	56	58	72	90	113	137	151	160	162	163
3 Yard Dumpster	6	6	8	10	12	15	16	17	18	18
Medical Dumpster (split in	2	2	2	3	4	5	5	6	6	6
65 Gallon Can	294	304	381	477	597	724	797	845	854	862
95 Gallon Can	\$46	\$47	\$59	\$74	\$93	\$113	\$124	\$132	\$133	\$134
<b>Total Rate Revenue</b>	<b>\$408</b>	<b>\$421</b>	<b>\$528</b>	<b>\$661</b>	<b>\$827</b>	<b>\$1,004</b>	<b>\$1,104</b>	<b>\$1,172</b>	<b>\$1,185</b>	<b>\$1,195</b>
Dumpster Rental	\$10	\$11	\$13	\$17	\$21	\$25	\$28	\$30	\$30	\$30
Extra Garbage Fees	15	15	15	15	15	15	15	15	15	15
Reconciliation Amount	7									
<b>Total Operating Revenue</b>	<b>\$440</b>	<b>\$447</b>	<b>\$556</b>	<b>\$693</b>	<b>\$863</b>	<b>\$1,044</b>	<b>\$1,147</b>	<b>\$1,217</b>	<b>\$1,230</b>	<b>\$1,240</b>

(in 000s)

## 5.2 Projected Operating Results, Internal Loan, and Cash Balance at Recommended Rates

Table 13 on the following page shows the projected shortfall or surplus each year by comparing the total projected revenue with total projected operating expenses. Table 13 also shows the impact of the shortfall or surplus on the cash balance in the solid waste enterprise fund. The total operating revenue at the top of Table 13 is from the total revenue calculated in Table 12. The total operating expense in Table 13 is from the amounts shown in Table 4. Table 13 also shows the amount and years in which there are internal loans and the payback of those internal loans. Table 13 shows that, if rates are adjusted as recommended, and the

City borrows internally, the negative cash balance can be resolved by June 30, 2024, and the cash balance in the solid waste enterprise fund will continue to grow.

**Table 13 – Projected Operating Results, Internal Loan, and Cash Balance at Recommended Rates**

Description	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Operating Revenue	\$440	\$447	\$556	\$693	\$864	\$1,044	\$1,147	\$1,216	\$1,228	\$1,240
Non-operating Revenue	5	5	5	5	5	5	5	5	5	5
<b>Total Revenues</b>	<b>\$445</b>	<b>\$452</b>	<b>\$561</b>	<b>\$698</b>	<b>\$869</b>	<b>\$1,049</b>	<b>\$1,152</b>	<b>\$1,221</b>	<b>\$1,233</b>	<b>\$1,245</b>
Operating Expenses	\$556	\$647	\$644	\$692	\$950	\$991	\$999	\$1,047	\$1,097	\$1,108
<b>Surplus /(Shortfall)</b>	<b>(\$112)</b>	<b>(\$195)</b>	<b>(\$83)</b>	<b>\$5</b>	<b>(\$82)</b>	<b>\$57</b>	<b>\$153</b>	<b>\$174</b>	<b>\$136</b>	<b>\$137</b>

Changes to Cash Reserve										
Beginning Cash	\$0	(\$114)	(\$9)	\$8	\$113	\$131	\$88	\$142	\$216	\$252
Surplus or (Shortfall)	(\$112)	(\$195)	(\$83)	\$5	(\$82)	\$57	\$153	\$174	\$136	\$137
Internal Loan Proceed	\$0	\$300	\$100	\$100	\$100	\$0	\$0	\$0	\$0	\$0
Internal Loan Payback	\$0	\$0	\$0	\$0	\$0	(\$100)	(\$100)	(\$100)	(\$100)	(\$100)
Other Changes to Cash	(\$3)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Cash</b>	<b>(\$114)</b>	<b>(\$9)</b>	<b>\$8</b>	<b>\$113</b>	<b>\$131</b>	<b>\$88</b>	<b>\$142</b>	<b>\$216</b>	<b>\$252</b>	<b>\$290</b>
Reserve Target	\$139	\$162	\$161	\$173	\$238	\$248	\$250	\$262	\$274	\$277

(in 000s)

Chart 2 below graphically shows the relationship between revenues and expenses, and the resulting impact on the cash balance in the solid waste enterprise fund if rates are adjusted as recommended.

**Chart 2 - Projected Operating Results, Internal Loan, and Cash Balance at Recommended Rates**

