

LEGISLATIVE FACT SHEET

DATE: 11/29/22

BT or RC No: _____
(Administration & City Council Bills)

SPONSOR: Public Works Department / Solid Waste Division
(Department/Division/Agency/Council Member)

Contact for all inquiries and presentation: Solid Waste

Provide Name: Will Williams

Contact Number: 255-8763

Email Address: willw@coj.net

PURPOSE: White Paper (Explain Why this legislation is necessary? Provide; Who, What, When, Where, How and the Impact.) Council Research will complete this form for Council introduced legislation and the Administration is responsible for all other legislation. (Minimum of 350 words - Maximum of 1 page.)

The purpose of this legislation is to seek Council approval of the Residential Waste and Recycling Collection and Transportation Contract terms established through the Council Rate Review Process; and authorization to execute a contract amendment for same. This will be the third amendment to the amended and restated contract with Waste Management Inc. of Florida.

APPROPRIATION: Total Amount Appropriated \$0.00 as follows:

List the source name and provide Object and Subobject Numbers for each category listed below:

(Name of Fund as it will appear in title of legislation)

Name of Federal Funding Source(s)	From: _____	Amount: _____
	To: _____	Amount: _____

Name of State Funding Source(s)	From: _____	Amount: _____
	To: _____	Amount: _____

Name of City of Jacksonville Funding	From: _____	Amount: _____
	To: _____	Amount: _____

Name of In-Kind Contribution(s)	From: _____	Amount: _____
	To: _____	Amount: _____

Name & Number of Bond Account(s)	From: _____	Amount: _____
	To: _____	Amount: _____

PLAIN LANGUAGE OF APPROPRIATION / FINANCIAL IMPACT / OTHER:

Explain: Where are the funds coming from, going to, how will the funds be used? Does the funding require a match? Is the funding for a specific time frame? Will there be an ongoing maintenance? ... and staffing obligation? Per Chapters 122 & 106 regarding funding of anticipated post-construction operation costs.

(Minimum of 350 words - Maximum of 1 page.)


Separate legislation will be submitted to address the financial impact.


ACTION ITEMS: Purpose / Check List. If "Yes" please provide detail by attaching justification, and code provisions for each.

ACTION ITEMS:	Yes	No	
Emergency?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Justification of Emergency: If yes, explanation must include detailed nature of emergency. <div style="border: 1px solid black; height: 30px; width: 100%;"></div>
Federal or State Mandate?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Explanation: If yes, explanation must include detailed nature of mandate including Statute or Provision. <div style="border: 1px solid black; height: 30px; width: 100%;"></div>
Fiscal Year Carryover?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Note: If yes, note must include explanation of all-year subfund carryover language. <div style="border: 1px solid black; height: 30px; width: 100%;"></div>
CIP Amendment?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Attachment: If yes, attach appropriate CIP form(s). Include justification for mid-year amendment.
Contract / Agreement Approval?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Attachment & Explanation: If yes, attach the Contract / Agreement and name of Department (and contact name) that will provide oversight. Indicate if negotiations are on-going and with whom. Has OGC reviewed / drafted? Public Works/Solid Waste will provide oversight. <div style="border: 1px solid black; height: 30px; width: 100%;"></div>
Related RC/BT?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Attachment: If yes, attach appropriate RC/BT form(s).
Waiver of Code?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Code Reference: If yes, identify code section(s) in box below and provide detailed explanation (including impacts) within white paper. <div style="border: 1px solid black; height: 30px; width: 100%;"></div>
Code Exception?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Code Reference: If yes, identify code in box below and provide detailed explanation (including impacts) within white paper. <div style="border: 1px solid black; height: 30px; width: 100%;"></div>
Related Enacted Ordinances?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Code Reference: If yes, identify related code section(s) and ordinance reference number in the box below and provide detailed explanation and any changes necessary within white paper. Chapter 382, Part 3, Ordinance Code, provides for the Rate Review process <div style="border: 1px solid black; height: 30px; width: 100%;"></div>

ACTION ITEMS CONTINUED: Purpose / Check List. If "Yes" please provide detail by attaching justification, and code provisions for each.

ACTION ITEMS:	Yes	No	
Continuation of Grant?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Explanation: How will the funds be used? Does the funding require a match? Is the funding for a specific time frame and/or multi-year? If multi-year, note year of grant? Are there long-term implications for the General Fund?</p> <div style="border: 1px solid black; height: 40px; width: 100%;"></div>
Surplus Property Certification?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Attachment: If yes, attach appropriate form(s).</p>
Reporting Requirements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Explanation: List agencies (including City Council / Auditor) to receive reports and frequency of reports, including when reports are due. Provide Department (include contact name and telephone number) responsible for generating</p> <div style="border: 1px solid black; height: 30px; width: 100%;"></div>

Division Chief:  Date: 11/30/22
(signature)

Prepared By:  Date: 11/29/22
(signature)

ADMINISTRATIVE TRANSMITTAL

To: MBRC, c/o the Budget Office, St. James Suite 325

Thru: Rachel Zimmer, Director of Intergovernmental Affairs, Office of the Mayor
(Name, Job Title, Department)
 Phone: 255-5006 E-mail: rachelz@coj.net

From: Will Williams, Operations Director, Public Works
Initiating Department Representative (Name, Job Title, Department)
 Phone: 255-8763 E-mail: willw@coj.net

Primary Contact: Will Williams, Operations Director, Public Works
(Name, Job Title, Department)
 Phone: 255-8763 E-mail: willw@coj.net

CC: Rachel Zimmer, Director of Intergovernmental Affairs, Office of the Mayor
 Phone: 255-5006 E-mail: rachelz@coj.net

COUNCIL MEMBER / INDEPENDENT AGENCY / CONSTITUTIONAL OFFICER TRANSMITTAL

To: Mary Staffopoulos, Office of General Counsel, St. James Suite 480
Phone: 904-255-5062 E-mail: mstaff@coj.net

From: _____
Initiating Council Member / Independent Agency / Constitutional Officer
Phone: _____ E-mail: _____

Primary Contact: _____
(Name, Job Title, Department)
Phone: _____ E-mail: _____

CC: Rachel Zimmer, Director of Intergovernmental Affairs, Office of the Mayor
Phone: 255-5006 E-mail: rachelz@coj.net

Legislation from Independent Agencies requires a resolution from the Independent Agency Board approving the legislation.

Independent Agency Action Item: **Yes** **No**
Boards Action / Resolution? Attachment: If yes, attach appropriate documentation. If no, when is board action scheduled?

FACT SHEET IS REQUIRED BEFORE LEGISLATION IS INTRODUCED



ONE CITY. ONE JACKSONVILLE.

City of Jacksonville, Florida

Lenny Curry, Mayor

Department of Public Works
Office of the Director
214 N. Hogan St., 10th floor
Jacksonville, FL 32202
(904) 255-8786
www.coj.net

TO: Jacksonville City Council & Steve Long, Director of Public Works
FROM: 2022 Rate Review Committee
THRU: Robert S. Campbell, Public Works Department – Vice Chairman 2022 Rate Review
DATE: November 17, 2022
SUBJECT: 2022 Rate Review Committee results and recommendations

Background:

City residential solid waste (garbage, bulky waste, recycling, yard waste, white goods and tires) is collected and transported by contract garbage haulers, as well as City crews. Ordinance Code 382.309 and each hauler agreement requires a full rate review every three years on the contract garbage haulers to determine a proposed annual rate of compensation. The rate review team who will make rate recommendations to City Council is determined by the Public Works Department and includes at a minimum – a representative of the Administration and the Council Auditor's Office. The Administration and City Council President were notified on February 9, 2022 by former Public Works Director John Pappas that the Rate Review Committee was established and included the following members:

Robert S. Campbell, Public Works – 2022 Rate Review Vice Chairman
Will Williams, Director of Operations - Public Works
Tom Hudson, Solid Waste Compliance Manager
Nickii Brookins, Solid Waste Accounting Manager
Heather Reber, CPA, Council Auditor's Office
Jeff Rodda, Council Auditor's Office

The Rate Review Committee performed rate reviews of two of the three haulers, Waste Management Inc. of Florida and Waste Pro of Florida. Each of these contract haulers are in the final year of the contract term which ends September 30, 2023. The third contract hauler, Meridian Waste, will begin a Rate Review in 2024 per the agreement.

Rate Review:

By following Code 308.309 and each hauler agreement, the rate review team and the contract haulers worked to establish at a minimum:

- a. The adjusted number of premises in the contract area at October 1, 2022 and estimated for March 31, 2023
- b. The operator's reasonable and necessary expenses
- c. A projection of the operator's expenses for the upcoming fiscal year (FY 2022/2023)
- d. A recommended mark-up rate (rate of return) on operating expenses, before profit, interest expense and corporate taxes

Rate Review Results:

The Committee presents these results are reasonable, based on reasonable good faith review and reasonable consideration of all financial and operational information provided by the Contractors.

Legislation will be introduced to City Council for the following:

For Waste Management Inc. of Florida, the Rate Review Committee recommends:

- Approve a Base Rate Component paid for each premise of \$14.00 effective October 1, 2022
- Approve projected Expenses of \$11,073,729 for FY 2022/2023
- Approve a Mark-up of 18% as Gross Profit Margin
- Approve Estimated Income before Taxes of \$1,993,271
- Approve the fuel usage caps for the next year for 351,287 gallons
- Approve the premise count adjustment for the contract at October 1, 2022
- Approve restated contract language within the agreement to reflect proposed changes;
 - The definition of “Centroid” has been updated with 2020 Census data
 - A monthly base rate component based on the Rate Review agreed expenses

For Waste Management, the above will result in an estimated FY 2022/23 Budget impact of an additional \$2,781,251

For Waste Pro of Florida, the Rate Review Committee recommends:

- Approve a Base Rate Component paid for each premise of \$19.01 effective October 1, 2022
- Approve projected Expenses of \$15,829,069 for FY 2022/2023
- Approve a Mark-up of 15% as Gross Profit Margin
- Approve Estimated Income before Taxes of \$2,374,360
- Approve the fuel usage caps for the next year for 535,100 gallons
- Approve the premise count adjustment for the contract at October 1, 2022
- Approve restated contract language within the agreement to reflect proposed change;
 - The definition of “Centroid” has been updated with 2020 Census data
 - The Base Rate be adjusted if/when Waste Pro Solid Waste Collection vehicles are added/removed which reflect an adjustment to the projected FY 2022/2023 Expenses – Depreciation. The change to the Base Rate will become effective the First Full month following the asset value is confirmed by both the City Council Auditors Office staff and Public Works staff and the vehicle is delivering residential solid waste to a City designated facility.

For Waste Pro, the above will result in an estimated FY 2022/23 Budget impact of an additional \$3,709,071

The 2022 Rate Review Committee thanks you in advance for your consideration of these results and recommendations.

cc: Honorable Terrance Freeman, City Council President

Brian Hughes, Chief Administrative Officer

Joey Greive, Director of Finance & CFO

Rachael Zimmer, Director of Intergovernmental Affairs

Monique O'Steen, Department of Public Works Policy Administrator

Dina Riddle, Department of Public Works Financial & Administrative Manager

Lee Dupree, Department of Public Works Assistant Financial & Administrative Manager