

Revised Agenda Item #2 for May 27, 2025

GENERAL BUSINESS

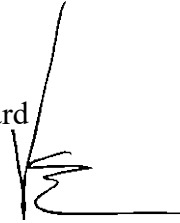
2. Consideration of Solid Waste Assessment Rate Study
(County Administrator / Office of Management & Budget)
 - UPDATED TABLE FOR SCENARIO #3.

Leon County Board of County Commissioners

Agenda Item #2

May 27, 2025

To: Honorable Chairman and Members of the Board
From: Vincent S. Long, County Administrator
Title: Consideration of Solid Waste Assessment Rate Study



Review and Approval:	Vincent S. Long, County Administrator
Department / Division Review:	Ken Morris, Assistant County Administrator Nawfal Ezzagaghi, Assistant County Administrator
Lead Staff / Project Team:	Roshaunda Bradley, Director, Office of Management and Budget Maggie Theriot, Director, Office of Resource Stewardship Brandy Furbee, Budget Manager Cassie Griffith, Solid Waste Manager Amy McClure, Senior Management and Budget Analyst

Statement of Issue:

Consistent with the County's fiscal policies and multiyear fiscal planning to reduce and eliminate general revenue subsidies for County enterprise programs, this item seeks Board acceptance of the Solid Waste Assessment Rate Study Report and approval to implement a phased increase of the solid waste assessment over the next five years in unincorporated Leon County to support solid waste disposal services. Additionally, this item seeks Board approval of the updated Solid Waste Tipping Fee Resolution to establish tipping fee disposal rates at Solid Waste facilities for Fiscal Year (FY) 2026.

Fiscal Impact:

This item has a fiscal impact. For FY 2026, a general revenue subsidy of approximately \$3.8 million is projected for the solid waste enterprise program to fund solid waste disposal services. Should the Board adopt Option #3 (Scenario #3) as recommended, increases to the solid waste assessment rate will be phased in over the next five years beginning October 1, 2025. The general revenue subsidy to the program would correspondingly be reduced with each biennial increase to the solid waste assessment, allowing the general revenue to be redirected to support other County programs, balance the FY 2026 budget, and prolong the need to increase the general millage rate in future budget cycles. An updated Tipping Fee Resolution (Attachment #2) is also provided for Board approval to establish the per ton charge paid by the City of Tallahassee and private haulers to cover waste processing costs.

Staff Recommendation:

Provided on the following page.

Staff Recommendation:

- Option #3: Direct staff to prepare an updated Rate Resolution to adopt the Solid Waste non-ad valorem assessment, as presented in Scenario #3, at the July 8, 2025 Public Hearing.
- Option #4: Accept the Solid Waste Assessment Rate Study Report (Attachment #1) and, as required by Section 197.3632(4)(a) and (b), Florida Statutes, authorize the mailing of first-class notices to property owners regarding proposed changes to the Solid Waste non-ad valorem assessment and authorize scheduling a Public Hearing on July 8, 2025, to impose the updated assessment.
- Option #5: Approve the updated Transfer Station Tipping Fee Resolution (Attachment #2), subject to legal review by the County Attorney.

Report and Discussion

Background:

Consistent with the County's fiscal policies (Policy No. 92-5) and multiyear fiscal planning to reduce and eliminate general revenue subsidies for County enterprise programs, this item seeks Board acceptance of the Solid Waste Assessment Rate Study Report (Attachment #1) and approval to implement a phased increase of the solid waste assessment, consistent with comparable jurisdictions, over the next five years in unincorporated Leon County to provide support for solid waste disposal services. This item also seeks Board approval of the updated Solid Waste Tipping Fee Resolution to establish tipping fee disposal rates at Solid Waste facilities for FY 2026 (Attachment #2).

The County currently provides general revenue support to several programs, such as Solid Waste and Stormwater, that with the appropriate level of fees or assessments would be self-supporting. The Board has examined this issue each year during the annual budget cycle, mitigated any tax and fee increases until such time as all other approaches have been exhausted, and acknowledged that subsidizing enterprise programs with general revenue is no longer fiscally advisable for the County's long-term budget needs. In recent budget cycles, a Multiyear Fiscal Plan was presented to the Board which provided a phased approach to conduct fee studies to establish recommended rates for both Solid Waste and Stormwater. In FY 2025, a consultant was hired to conduct the Solid Waste Rate Study Report (Solid Waste Report) for the development of the FY 2026 budget.

The County provides solid waste collection and disposal services to the unincorporated area of the County. Collection services are provided through a franchise agreement with Waste Pro, Inc. (Waste Pro) for weekly curbside pickup of residential garbage, recycling, yard debris, and bulky items. Alternatively, residents may drop off household garbage free of charge at one of the County's four Rural Waste Service Centers. The County also operates drop-off Hazardous Waste Centers for household hazardous waste and electronics disposal. The Transfer Station is the central site where all local garbage is consolidated and hauled to Waste Management's Springhill Regional Landfill for proper disposal.

The County's Solid Waste operations are established as an Enterprise Fund (Fund), which was created to operate as a business by collecting enough revenue to fully fund the entire operation. The Fund is to be sustained by a non-ad valorem solid waste assessment, tipping fees, and miscellaneous receipts (i.e., share of Marpan recycled sales, interest earnings, etc.). The authority for the Leon County non-ad valorem solid waste assessment is set forth in the Leon County Code of Laws, Chapter 18, Article VI. The non-ad valorem solid waste assessment is levied upon all occupied single-family residences in the unincorporated area.

The assessment was established in 1994, set at \$40, and was created to cover the cost of waste disposal for unincorporated residential properties and the operation of the rural waste collection centers. However, there has been no increase in the rate of the assessment since 1994 and the Solid Waste operations have been subsidized with general revenue over two decades to delay increasing the assessment. The solid waste assessment currently generates \$1.6 million in revenue

annually, less than one third of the cost for the County's Solid Waste operations. As a result, the Solid Waste fund received a \$3.5 million general revenue subsidy in FY 2025.

The County engages in multiyear fiscal planning to ensure long-term fiscal viability and that resources available to the County are used in the most efficient manner. Because of this continuous focus on fiscal planning, Leon County has been able to perennially provide high quality essential services and make responsible investments in infrastructure, while keeping our tax burden among the lowest for citizens. Through these efforts, the County has maintained a long-standing practice of providing cost effective services and adhering to taxpayer sensitivity by delaying any increases to fees and/or taxes for as long as possible without compromising the high-quality level of service provided to County residents. This practice has facilitated millions of dollars in savings and cost avoidance to taxpayers as demonstrated by the Board's prudent fiscal policies and following actions:

- No increase in the general millage rate for 13 consecutive years.
- No increase in the Stormwater assessment since 2013.
- Implemented funding strategies to mitigate increases in the EMS MSTU for nearly 20 years despite experiencing significant increases in call volume and corresponding costs to operate the program.
- Delayed a fire rescue assessment study and rate increase initially planned for 2021 until 2024 due to the impacts and economic uncertainty of the COVID-19 pandemic. In comparison, the City increased rates for residents in the City limits during that time.
- No increase in the solid waste assessment for over 30 years to align with the inflationary cost increases for Solid Waste operations during that period.
- Eliminated fees at the rural waste collections sites in 2019, making this service free to all unincorporated area residents.
- Negotiated a phased-in approach with Waste Management to mitigate inflationary increases to the hauling portion of their contract over a two-year period.
- Utilized one-time ARPA revenue replacement dollars to support other general government services which freed up general revenue to support Solid Waste operations.
- Maintained high credit ratings as recognized by bond rating agencies like Fitch and Moody's.

While the County has been successful in mitigating tax and fee increases for decades, other revenue alternatives are needed to support the County's enterprise operations and eliminate the general revenue subsidies. If these program areas continue to compete with other general revenue funded programs, the Board will be faced with either raising property taxes or reducing services, making future budget balancing increasingly more difficult. Additionally, given the most recent significant legislative threats impacting the County's major revenue sources (i.e., property and sales taxes), it is imperative the County implement strategies to expand our revenue diversification to ensure we are positioned to continue to provide essential services.

As previously stated, the Multiyear Fiscal Plan presented to the Board in recent budget cycles provided a phased approach to conduct fee studies to establish recommended rates for both Solid Waste and Stormwater. The Solid Waste Report was to be completed in FY 2025 (presented herein) with implementation in FY 2026. In recognition of taxpayer sensitivity, the Stormwater Rate Study is scheduled to be conducted in FY 2027 (two years after the Solid Waste Report) and considered as part of the FY 2028 budget process. However, this schedule was developed prior to the unanticipated notice from the City of Tallahassee in January 2025 that the revenue generated from the fire services fee will not be sufficient to continue to provide fire services at the current service level, recommending an early review and likely increase of the rates. The current fire services rate, approved by the City and County during the FY 2024 budget development process, was to provide fire services for the next five years (FY 2024 – FY 2028). A separate agenda item in the Board's meeting materials provides the consultant's interim fires services study and recommendations. With consideration to the potential unplanned increase in the fire services fee, and to prolong the need to increase the general millage rate in future budget cycles while continuing to exercise responsible financial stewardship of the community's limited resources, this item recommends phasing in the recommended increases to the solid waste assessment over the next five years. This item also recommends an adjustment to the tipping fee paid by the City of Tallahassee and private haulers to cover the cost of disposal. The tipping fee is a per ton charge that is adjusted annually to cover the costs of hauling and disposal, fuel surcharge, hazardous waste and operation of the Transfer Station. An updated Tipping Fee Resolution (Attachment #2) is also provided for Board approval.

The following section provides an overview of solid waste operations in Leon County and an analysis of the level of general revenue support currently being used to subsidize the enterprise operations.

Solid Waste Collection and Disposal

The County has undergone comprehensive reviews to assess the efficiency and effectiveness of the County's solid waste collection and disposal operations which have shown to be consistent with, or above, most industry standards. Specifically, the County has implemented cost saving measures and explored different operating models for the Transfer Station and have determined we have one of the most cost effective models. Additionally, to keep costs as affordable as possible for residents, the County has also aggressively evaluated alternatives and negotiated lower rates with vendors for waste collection and disposal, and the processing of yard debris and recyclable materials. These efforts have kept costs low while still maintaining high service standards.

Solid waste collection and disposal in Leon County is generally comprised of the following two components:

Residential Waste Collection: Waste is collected at a residential property by Waste Pro or by the City of Tallahassee in the City limits. Collection services in the City are mandatory and paid through monthly utility bills. In the unincorporated area, residents voluntarily subscribe directly with Waste Pro for collection services. Alternatively, unincorporated residents can dispose of their waste for free at one of the County's rural waste service centers. Since the County eliminated the disposal fees at the rural waste services centers in 2019,

approximately \$1 million of general revenue is budgeted annually to operate the rural waste centers.

Hauling and Disposal: The County operates a transfer station that accepts all waste for both the unincorporated and incorporated areas of the County. When waste is brought to the Transfer Station by customers such as the City of Tallahassee, the City pays a tipping fee. The tipping fee is a per ton charge that is adjusted annually to recover costs for waste processed at the facility and operating costs of the Transfer Station and Hazardous Waste. When Waste Pro brings residential unincorporated waste to the Transfer Station, Waste Pro is not charged. The cost for disposing the unincorporated waste is paid for through the existing \$40 solid waste non-ad valorem assessment on the tax bill and a \$3.5 million general revenue subsidy.

Once solid waste is brought to the Transfer Station, it is then hauled to Waste Management's Springhill Regional Landfill in Jackson County for disposal. The hauling and disposal are governed by an existing agreement between Leon County and Waste Management (WM). The long-term nature of the agreement provides certainty for the County's ability to dispose of solid waste and mitigate to the greatest extent possible cost increases. The WM agreement is comprised of two components: the cost to haul and the cost to dispose of waste. Pursuant to the agreement, in 2023 WM requested an increase to the hauling portion of the agreement due to significant cost increases in their ability to hire and maintain CDL drivers as well as the inflationary cost of equipment and repairs. The County negotiated with WM to mitigate the cost increase, resulting in a blended adjustment of the hauling rate over a two-year period (FY 2024 and FY 2025). To avoid a tax or rate increase to unincorporated residents at that time, the Board took the following actions:

- Adjusted the tipping fee charged to the City to recoup their portion of the increase.
- Increased the general revenue subsidy and accepted the recommendations of the Multiyear Fiscal Plan to conduct the current solid waste assessment rate study to possibly reduce or eliminate the general revenue subsidy.

General Revenue Support for Solid Waste

As previously mentioned, the County's solid waste fund was created to operate as an enterprise. The main revenue sources for Solid Waste are the tipping fees, miscellaneous receipts, and the non-ad valorem special assessment. After the adoption of Resolution No. R08-01, the "Fiscal Guiding Principles" Resolution (Attachment #3), during the FY 2009 budget development process, the Board took necessary steps to continue on the business path by increasing the tipping fees paid at the Transfer Station and reducing expenditures; however, the County has been unable to eliminate the general revenue support to the fund due to not increasing the \$40 special assessment rate since it was first implemented in 1994 to reflect the true costs of the operations.

Since the fee has not changed for over 30 years, general revenue support has increased over the years to maintain essential solid waste services for County residents. For example, the subsidy increased from \$1.7 million in FY 2009 to \$3.5 million in FY 2025. The subsidy is projected to reach \$3.8 million in FY 2026. These increases are attributed primarily to the inflationary costs to operate the Transfer Station, WM's hauling and disposal contract, and the elimination of fees at

the Rural Waste Sites making this service free for all unincorporated area residents and funding the sites entirely with general revenue in the amount of \$1 million annually.

The Board has implemented several cost saving measures and strategies to reduce the general revenue support, while delaying increases to the solid waste assessment for as long as possible. These measures have included, but were not limited to, the following:

- Closed the Solid Waste Facility to the public for the disposal of Class III waste and contracted with a private vendor to recycle this waste stream. This allowed the County to restructure landfill operations and eliminate seven positions which saved approximately \$285,000 annually.
- Successfully negotiated reduced rates with WM for hauling and disposal services which have resulted in annual savings to the City and County.
- Increased the Tipping Fee at the Transfer Station which is paid by the City and private haulers to cover increased operational costs.
- Reduced hours at the rural waste sites and closed one of the sites.
- Adopted a Multiyear Fiscal Plan that allocated one-time general revenue reserves and debt services savings to avoid raising the solid waste assessment for FY 2020 and FY 2021.
- Conducted an independent study on the processing of recyclable materials to examine program costs, funding, and alternatives to the long-standing Marpan partnership. The analysis compared a full range of processing options and concluded that a new agreement with Marpan remained the most cost-effective. The updated agreement includes a sliding revenue share where Marpan absorbs more risk when commodity prices fall, and the County receives a larger share of revenue when prices increase.
- Allocated one-time Federal ARPA funding to support general government services and avoid any tax or fee increases during the COVID-19 pandemic, which freed up general revenue to continue to support solid waste.

As reflected above, the County has deliberately demonstrated continuous fiscal constraint by reducing expenditures when possible and mitigating any tax and fee increases until such time as all other approaches have been exhausted. At this time, the County is faced with ongoing and new budgetary constraints that are significantly impacting the FY 2026 budget development process. In addition to normal operating increases to “open the doors” (contractual CPI adjustments, employee healthcare and FRS rate increases, etc.), preliminary revenue projections reflect a decline in general revenue growth for state-shared revenues which are largely based on sales tax collections, and only modest growth in other major revenues such as gas taxes. Additionally, over \$32 million in capital needs were identified for the general fund capital improvement program to maintain the County’s core infrastructure, which is nearly \$22 million in excess of available resources. Also, at the time of this writing, proposed legislation totaling over \$100 million in potential fiscal impacts to the County is being considered by the Florida Legislature. This includes proposals to eliminate property taxes (without a current identified revenue replacement), substantially increasing homestead exemptions which could result in over 95% of homestead properties in the County being exempt from the tax roll, and reductions in the current sales tax rate

statewide. While the County relies on property taxes to fund nearly 60% of the total County budget, these significant threats expose the limitations of the County's existing revenue diversification and abilities to immediately respond to significant reductions in our major revenue sources.

The County has a long history of actively looking ahead with multiyear fiscal planning to ensure the long-term viability of the County. Consistent with the County's Fiscal Guiding Principles and fiscal policies that state fees charged in enterprise operations will be calculated at a level which will support all direct and indirect costs of the enterprise, the planned Solid Waste Assessment Rate Study is provided for Board consideration as part of the FY 2026 budget process. Recommendations by the consultant will provide the County with options to increase our revenue options as we continue to prepare for the current, foreseeable, and unforeseeable challenges and opportunities impacting our County budget.

Analysis:

The County engaged Accenture, an industry leader in the development of assessment and rate studies throughout Florida who acquired Government Services Group, Inc., to calculate an assessment rate that would eliminate the general revenue subsidy to the Solid Waste enterprise fund in a one-year period or in increments over five years. The elimination of this subsidy will offset projected revenue declines in state shared sales tax revenues and inflationary increases in the FY 2026 budget, in addition to future unanticipated expenditure increases, without drastic cuts to operating and capital budgets or increases to property tax rates. Most importantly, the Solid Waste enterprise fund will operate like a business as originally intended and consistent with Board policy.

Accenture prepared the attached Rate Study (Attachment #1) to establish sufficient rates to support the cost of solid waste disposal and operation of the rural waste collection centers based on the projected budget for the period FY 2026 through FY 2030. The study recommends establishing a solid waste assessment rate of \$134 to fully support the enterprise. To mitigate the impact of this assessment rate increase, the item offers scenarios to phase-in rate adjustments over the next five years to arrive at the recommended average assessment rate.

The five-year projected budget reflects the proposed direct and indirect expenditures needed to provide solid waste disposal services. These expenditures include items such as the hauling and disposal costs for unincorporated area residential waste provided by WM, and operating, personnel, equipment, maintenance, and capital costs to operate the Transfer Station, Hazardous Waste Center, and rural waste collection centers. The total Solid Waste five-year average budget is \$24 million.

To calculate the rate, the consultant first determines the portion of the total Solid Waste budget that is "assessable." Costs in the budget that are assessable are costs associated with the hauling and disposal of unincorporated residential waste and averages approximately \$5.4 million annually over the five-year period. In other words, waste generated by unincorporated area residents account for only \$5.4 million of costs for disposal. Other costs were deemed to be "tipping fee-based" or associated with those paying a tipping fee (i.e., commercial customers and the City of

Tallahassee). The costs associated with the disposal of waste collected in the City limits will continue to be captured in the tipping fee charged to the City, which is a per ton charge that is adjusted annually.

Annual Tipping Fee Rate Adjustment

Annually during the budget development process, the Board adjusts the tipping fee to account for inflationary adjustments related to the costs of hauling and disposal per the WM agreement, fuel surcharge, hazardous waste, and increases to operate the Transfer Station. Based on the consultant's review of current tipping fee revenue projections and the unincorporated area assessable budget, the study concluded the current tipping fee rate associated with Transfer Station operations does not fully recover the costs of operations. Based on this finding and recommendation from the consultant, an updated Tipping Fee Resolution (Attachment #2) increasing the fee from \$63.05 per ton to \$71.25 per ton for FY 2026 is provided for Board approval. Based on projected tonnage at the Transfer Station, the updated tipping fee rates are projected to generate \$13.4 million annually. This revenue has been assumed in the rate scenarios and reduced general revenue subsidies provided below. A breakdown of the tipping fee rate components is provided below:

Table #1: Proposed FY 2026 Tipping Fee Rates

Fee	FY 2025 Tipping Fee Per Ton	FY 2026 Tipping Fee Per Ton
Hauling and Disposal	\$46.44	\$48.76
Fuel Surcharge	\$0.51	\$0.37
Transfer Station Operations	\$11.22	\$17.05
Household Hazardous Waste	\$4.08	\$5.08
Total Tipping Fee	\$63.05	\$71.25

Recommended Solid Waste Assessment Rate

The consultant was charged with calculating an assessment rate that would eliminate the general revenue subsidy to the Solid Waste enterprise fund in a one-year period or in increments over five years. The scenarios reflected in this item provide phasing scenarios to mitigate adjustments to the assessment rate over multiple years for Board consideration. Four scenarios have been developed for consideration which are further explained below.

- **Scenario #1 – Adoption of the 5-Year Average Rate per Single-family Residence in FY 2026:** This scenario reflects the full implementation of a \$134 rate in FY 2026. This rate equates to a \$94 annual increase (or \$7.83 per month) for each single-family residence property owner. The \$134 rate will generate \$5.5 million in total revenue and fully eliminate the general revenue subsidy beginning in FY 2026.

Scenario #1

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Proposed Rate	\$40.00	\$134.00	\$134.00	\$134.00	\$134.00	\$134.00
Annual Increase	-	\$94.00	-	-	-	-
Monthly Increase	-	\$7.83	-	-	-	-
General Revenue Subsidy	-	\$0	\$0	\$0	\$0	\$0

- **Scenario #2 – Phased 5-Year Average Rate per Single-family Residence in Year 5:** This scenario recommends increasing the rate incrementally each year over the next five years, reaching the recommended \$134 rate in FY 2030. Under this scenario, the rate would double to \$80 in FY 2026 (or \$3.33 per month). For the FY 2026 budget, this scenario would reduce the general revenue subsidy from \$3.8 million to \$2.2 million. The general revenue subsidy to support the Solid Waste fund would be fully eliminated in FY 2030.

Scenario #2

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Proposed Rate	\$40.00	\$80.00	\$100.00	\$120.00	\$130.00	\$134.00
Annual Increase	-	\$40.00	\$20.00	\$20.00	\$10.00	\$4.00
Monthly Increase	-	\$3.33	\$1.67	\$1.67	\$0.83	\$0.33
General Revenue Subsidy	-	\$2.2M	\$1.4M	\$0.5M	\$0.1M	\$0

- **Scenario #3 – Alternate Phased 5-Year Average Rate per Single-family Residence in Year 5:** This scenario recommends increasing the rate incrementally over the next five years, reaching the recommended \$134 rate in FY 2030. Under this scenario, the rate will increase to \$80 in FY 2026 (or \$3.33 per month), followed by increases every two years thereafter until FY 2030. For FY 2026, this scenario would reduce the general revenue subsidy from \$3.8 million to \$2.2 million. The general revenue subsidy to support the Solid Waste fund would be fully eliminated in FY 2030.

Scenario #3

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Proposed Rate	\$40.00	\$80.00	\$80.00	\$120.00	\$120.00	\$134.00
Annual Increase	-	\$40.00	\$0	\$40.00	\$0	\$24.00
Monthly Increase	-	\$3.33	\$0	\$3.33	\$0	\$1.17
General Revenue Subsidy	-	\$2.2M	\$2.2M	\$0.5M	\$0.5M	\$0

- **Scenario #4 – Alternate Rate and the Rural Waste Service Centers supported through User Fees:** This scenario provides the Board an option to reduce the recommended \$134 rate to \$84, contingent upon supporting the Rural Waste Service Centers through a user fee. As reflected in Appendix C of the Solid Waste Report, under this scenario the consultant excluded all assessable expenditures associated with operating and disposing of waste for the Rural Waste sites (approximately \$1.9 million). After removing the rural waste expenditures, the assessable budget is reduced from \$5.4 million to \$3.4 million allowing for the reduced rate.

Scenario #4

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Proposed Rate	\$40.00	\$84.00	\$84.00	\$84.00	\$84.00	\$84.00
Annual Increase	-	\$44.00	\$0	\$0	\$0	\$0
Monthly Increase	-	\$3.67	\$0	\$0	\$0	\$0
General Revenue Subsidy	-	\$0	\$0	\$0	\$0	\$0

Leon County operates four sites for residents living in unincorporated Leon County to dispose of household garbage and recycling. The facilities are located throughout the unincorporated area in Miccosukee, Woodville, Fort Braden, and at the Solid Waste Facility on Apalachee Parkway. The County does not have mandatory curbside collection to require citizens to subscribe with Waste Pro and instead operates the rural waste sites as an alternative.

During the FY 2014 budget process, the Board considered several options to eliminate the general revenue subsidy supporting the rural waste sites. Rather than pursuing mandatory curbside waste collection, which would have resulted in the closure of the sites, the Board implemented a modest user fee structure that included a flat \$10 monthly rate for unlimited use of the facilities, or a per-bag fee for citizens who wished to utilize the facilities on an as-needed basis. It was forecasted at that time that the fees would generate enough revenue to eliminate the need for a general revenue subsidy which was approximately \$1 million. However, in the following year, the revenue from the fees only generated approximately \$200,000 and additional general revenue was included as part of the annual budget process. In FY 2019, the fees were eliminated altogether, and the rural waste sites were funded entirely with a general revenue subsidy. As reflected below, fees would have to increase significantly from the previous rate study to fully recover costs.

Of the 40,911 unincorporated residential households, there are approximately 32,000 who currently subscribe to curbside collection. The remaining 8,911 are deemed to use the rural waste sites or dispose of their waste using of other means (i.e., commercial dumpsters, illegal burying, burning, or littering). In order to adopt this scenario, a user fee of approximately \$214 annually would need to be implemented to fully recover costs and eliminate the general revenue subsidy. This proposed user fee is slightly lower than the \$291 annual subscription charge paid by Waste Pro customers.

Reinstating fees to use the sites could result in reduced utilization, which would impact revenue collection as experienced after fees were implemented in 2014. Additionally, to avoid paying the fee there are concerns that we could experience an uptick in litter and illegal dumping.

Comparable Rates

To assist in evaluating the recommended \$134 rate, staff compiled other jurisdictions with similar solid waste non-ad valorem assessments for comparison. Most of Leon County's traditional peer counties and the City of Tallahassee blend the collection and disposal costs into one rate which does not allow for an apples-to-apples comparison. Leon County separates waste collection and waste disposal rates because waste collection is a voluntary, subscription-based, service in the unincorporated area. Most jurisdictions require universal collection among residents which then allows for the pairing of fees and generally lowers the per household collection rates.

Table #2 compares the rates of 10 counties that impose the non-ad valorem assessment only for disposal services. The average rate among the surveyed jurisdictions is \$182. As shown in Table #2, Leon County's current rate is the lowest by a wide margin, which is likely because it has not increased since 1994. The recommended solid waste assessment rate of \$134 would still be lower than most comparable jurisdictions.

Table #2 – Solid Waste Disposal Non-Ad Valorem Assessment

Local Government	Rate
*City of Tallahassee	\$307.80
Madison	\$300.00
Jefferson	\$248.00
Suwanee	\$235.00
Marion	\$215.00
Hillsborough	\$180.19
Dixie	\$180.00
Taylor	\$178.00
Leon – Recommended	\$134.00
Alachua	\$132.01
Pasco	\$107.00
Hernando	\$98.04
Leon – Current	\$40.00

**The City of Tallahassee's rate includes waste collection service.*

Conclusion and Next Steps

The Board has maintained the practice of being extraordinarily sensitive to any increases in taxes or fees, while continuing to consistently provide high quality essential services. As referenced throughout this item, for over 30 years the County has implemented various strategies to maintain general revenue support for solid waste and delayed any increases to the solid waste assessment until such time as all other approaches have been exhausted. Consistent with the County's Fiscal Guiding Principles and fiscal policies, the Solid Waste Assessment Rate Study was conducted to calculate appropriate rates which will support all direct and indirect costs of the enterprise to reduce or eliminate the general revenue subsidy to the fund.

Due to the unanticipated notice from the City in January 2025 that the revenue generated from the fire services fee will not be sufficient to continue to provide fire services at the current service level (resulting in a possible increase of the rates in FY 2026), the scenario recommended in this item provides a phased-in approach to adjust the solid waste assessments and establish the rate at the appropriate level to cover the direct and indirect costs of the enterprise. Additionally, the Report concluded that the current tipping fee rate is not sufficient to fully cover the costs of providing disposal services for the City of Tallahassee and other commercial customers. An updated tipping fee resolution is provided for Board approval.

In order to adopt a new solid waste assessment, the Board must schedule and conduct a public hearing to levy the new assessment rate. In addition, the Board would need to adopt the Report by resolution, and in accordance with Florida Law, a separate first-class notification to each property owner in the unincorporated area would be mailed at least 20 days prior to the required public hearing. Annually, the Board conducts public hearings to adopt the fire rescue services, sewer, stormwater, and solid waste disposal assessment rolls. These public hearings are typically conducted in July of each year, which allows for the non-ad valorem assessments to appear on the TRIM (Truth-In-Millage) notices sent to property owners in August. This year, the assessment rolls will be presented for Board approval at the July 8, 2025 meeting.

Options:

1. Direct staff to prepare an updated Rate Resolution to adopt the Solid Waste non-ad valorem assessment, as presented in Scenario #1, at the July 8, 2025 Public Hearing.
2. Direct staff to prepare an updated Rate Resolution to adopt the Solid Waste non-ad valorem assessment, as presented in Scenario #2, at the July 8, 2025 Public Hearing.
3. Direct staff to prepare an updated Rate Resolution to adopt the Solid Waste non-ad valorem assessment, as presented in Scenario #3, at the July 8, 2025 Public Hearing.
4. Accept the Solid Waste Assessment Rate Study Report and, as required by Section 197.3632(4)(a) and (b), Florida Statutes, authorize the mailing of first-class notices to property owners regarding proposed changes to the Solid Waste non-ad valorem assessment and authorize scheduling a Public Hearing on July 8, 2025 to impose the updated assessment.
5. Approve the updated Transfer Station Tipping Fee Resolution (Attachment #2), subject to legal review by the County Attorney.
6. Accept the Solid Waste Assessment Rate Study Report and direct staff to maintain the general revenue subsidy to the Solid Waste Enterprise Fund.
7. Board direction.

Recommendation:

Options #3, #4, and #5

Attachments:

1. April 2025 Solid Waste Special Assessment Fee Report
2. Transfer Station Tipping Fee Resolution
3. Resolution No. R08-01 Fiscal Guiding Principles