



City of Waukesha
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| Committee: Board of Public Works | Date: 11/20/2024 |
| Common Council Item Number: ID #24-11232 | Date: 12/3/2024 |
| Submitted By: Alex Damien, Director of Public Works | City Administrator Approval: Anthony W. Brown, City Administrator |
| Finance Department Review: Joseph P. Ciurro, Finance Director | City Attorney's Office Review: Brian Running, City Attorney |
| Subject: Review and act on 2025 Drop-Off Center fee adjustments with allowance for further adjustments prior to 2026. | |

Details:
 The City Drop-Off Center is a resource for residents of the City of Waukesha to dispose of yard materials, bulky solid waste, and other materials.

The City's contract for solid waste dumpster services with Waste Management expires on March 31st, 2025. Through a competitive RFP, the City signed a new contract with GFL Environmental to begin on April 1st, 2025. The cost of dumpster services in the new contract increased 12% compared to the current contract.

The City is also implementing a new curbside system for bulky item pickup in conjunction with a new residential contract with John's Disposal. The City anticipates increase in usage of the Drop-Off Center due to the change with the curbside bulky item pickup service.

Therefore, the City is proposing adjustments to the current Drop-Off Center fees and structure to begin January 1st, 2025. Furthermore, the City is requesting approval to further adjust the fees in 2025 if the mid-year costs significantly exceed the anticipated budget.

Options & Alternatives:
 The costs at the Drop-Off Center are expected to increase significantly in 2025 due to a combination of a new solid waste dumpster contract beginning April 1st, 2025, and changes to the residential bulky item pickup service. If fees are not adjusted, the City will not be able to sustain operations at the Drop-Off Center without significant increased tax levy support.

Financial Remarks:
 The City has charged fees at the center since July of 2006. The fees have adjusted incrementally since that time. The most recent significant increase in prices occurred January 1st, 2021. (The price for disposal of latex paint only increased starting January 1st, 2024.)

The City has historically operated in a deficit at the Drop-Off Center. The deficit projected for 2024 will be approximately -\$62,000. The City has a goal to make the Drop-Off Center cost neutral within 4 years.

See the attached document for the proposed 2025 prices and other adjustments.

The 2025 adjustments are projected to increase revenue 30%. Even with these adjustments, the Drop-Off Center will still operate at a deficit. The anticipated new deficit will still be approximately -\$38,000. Future price adjustments will be necessary to bring the center to be cost-neutral in 4 years.

Executive Recommendation:

Review and act on approval of 2025 Drop-Off Center fee adjustments with allowance for further adjustments as necessary prior to 2026.