

Sarasota  
**COUNTY**

**Fiscal Year 2024 Solid Waste Rate  
Evaluation**

**Final Report / February 8, 2024**

February 8, 2024

Mr. Brian Usher  
Solid Waste Director  
Sarasota County Solid Waste  
4000 Knights Trail Rd  
Nokomis, FL 34275

**Subject: Fiscal Year 2024 Solid Waste Rate Evaluation**

Dear Mr. Usher:

Raftelis Financial Consultants, Inc. ("Raftelis") has completed the evaluation of rates (the "Study") on behalf of the Sarasota County (the "County") Solid Waste Department (the "Department"). The primary purpose of the Study was to:

- Identify the ability of revenues derived from the current charges for solid waste services and ongoing operations of the Department to fund projected expenditures and provide sufficient net revenues to fund necessary transfers for capital improvements, landfill closure, and long-term care.
- Provide an evaluation of the Integrated Solid Waste Management System's (the "System") overall financial position and cash balances / reserves relative to identified need (i.e., accumulated landfill closure and long-term care liabilities, operating expenses, capital expenditures, etc.), and recommendations concerning internal financial targets.
- Discuss and recognize the change in the residential assessment methodology from a unit type basis to a service type basis.
- Develop a financial plan with County staff to maintain and promote the creditworthiness of the Department and assist in the overall strategic planning process with the ultimate objective of promoting long-term financial sustainability.

The Study is based on information provided by County staff including, but not limited to, the number of residential properties assessed for collection and disposal service, historical waste deliveries to County facilities, historical financial operating results, budgetary information, capital plans, long-term liabilities associated with closure and post-closure of the County's landfills, and other financial and statistical information.

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Following this letter, we have detailed our findings, observations, and recommendations in greater detail for your consideration. We appreciate the fine cooperation and valuable assistance given to us by staff in the completion of the Study and the opportunity to be of service to the County.

Sincerely,

**Raftelis Financial Consultants, Inc.**



**Thierry A. Boveri, CGFM**

*Vice President*



**Trevor McCarthy, CGFM**

*Senior Consultant*

**SARASOTA COUNTY, FLORIDA**  
**FISCAL YEAR 2024**  
**SOLID WASTE RATE EVALUATION**

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**SARASOTA COUNTY, FLORIDA**

**FISCAL YEAR 2024  
SOLID WASTE RATE EVALUATION**

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## EXECUTIVE SUMMARY

Raftelis Financial Consultants Inc. ("Raftelis") was tasked with the preparation of the solid waste rate evaluation (the "Study") on behalf of the Sarasota County (the "County") Solid Waste Department (the "Department"). The Study review period encompassed the Fiscal Years 2024 (current budget year) through 2029 (collectively, the "Forecast Period") with the accounting period from October 1 through September 30 being the "Fiscal Year". Based on the assumptions and analyses reflected in this report, which should be read in its entirety, we are of the opinion that the current Solid Waste Department rates will not be sufficient to meet the projected revenue requirements for the Forecast Period. The following provides a summary of the key findings and recommendations of the Study:

- Approximately 74% of the total System operating expenses are associated with payments to private contracted service providers, such as the County's franchise collection haulers, landfill operators, recycling processor, and other contract service providers. The County's current franchise collection contract will expire March 29, 2025. A review of bids from franchise haulers is currently underway and staff has provided estimates to be used as the basis of assumptions for future franchise collection costs. Operating expenses are projected to grow on average by approximately 6.8% per year, however, baseline inflation is assumed to be approximately 3.3% a year when excluding one-time or incremental growth in operating expenses. A summary of operating expenses by major category is shown below:

Summary of Projected Operating Expenses (1)							
Description	2024	2025	2026	2027	2028	2029	CAGR
Operating Expenses (2)	\$58,370,408	\$65,792,401	\$73,984,347	\$76,335,253	\$78,675,602	\$81,060,344	6.8%
Franchised Collection Services (3)	21,496,849	27,634,381	34,734,147	36,020,664	37,308,752	38,623,885	12.4%
Landfill Operating Agreement	8,214,565	8,608,030	8,973,677	9,314,448	9,648,621	9,985,280	4.0%
Contracted Recycling	3,153,500	3,226,031	3,300,229	3,376,134	3,453,786	3,536,676	2.3%
C&D Processing	4,580,398	4,325,962	4,513,659	4,687,004	4,854,336	5,022,932	1.9%
Landfill Cover Dirt	894,974	915,967	937,458	959,458	981,981	1,005,982	2.4%
Other Contracted Services	2,534,144	2,596,461	2,660,352	2,725,859	2,793,023	2,864,297	2.5%
Expenses less Contracted Operations	\$17,495,978	\$18,485,570	\$18,864,824	\$19,251,686	\$19,635,103	\$20,021,291	2.7%

CAGR = Compound Annual Growth Rate

(1) Amounts shown represent the operating expenses for Fund 423 Assessment Fund and Fund 420 Disposal Fund and are net of transfers to the general fund and closure / post-closure related expenses.

(2) Amounts shown are net of interfund transfers from Fund 423 Assessment Fund to Fund 420 Disposal Fund.

(3) The current franchise collection agreement will expire March 29, 2025. The forecast assumes information provided by County staff received during the County's bid process.

- The study assumes transfers to fund the closure and post-closure liabilities associated with the Central County and Bee Ridge Landfills. The Bee Ridge Landfill was closed in March of 2000 and currently has a surplus over the estimated post-closure liability, however, deposits to maintain the reserve balance have been assumed throughout the Forecast Period.
- Estimates of landfill capacity, closure and post-closure liabilities, and projected deposits are shown in the following table. The County uses the *financial test* method to meet the financial assurance requirements of FDEP but continues to set aside funds designated for closure and post-closure costs.

### Summary of Landfill Capacity and Closure / Post-closure Liability

Description	2023	2024	2025	2026	2027	2028	2029
<b>Fund 428 Central County</b>							
Total Estimated Remaining Landfill Capacity (yd <sup>3</sup> )	15,476,160	14,972,523	14,461,838	13,944,009	13,419,710	12,889,647	12,354,287
Total Landfill Capacity (yd <sup>3</sup> )	26,364,401	26,364,401	26,364,401	26,364,401	26,364,401	26,364,401	26,364,401
Closure / Post-closure Costs							
Revised Estimate Adjustment [1]	N/A	\$17,787,858	\$0	\$0	\$0	\$0	\$0
Inflation Adjustment	N/A	0	1,863,514	1,900,784	1,938,800	1,977,576	2,017,128
Total Projected Closure/Post-closure Costs	\$75,387,852	\$93,175,710	\$95,039,224	\$96,940,009	\$98,878,809	\$100,856,385	\$102,873,513
Total Estimated Cumulative Liability	\$24,992,950	\$32,743,211	\$35,503,127	\$38,390,386	\$41,406,677	\$44,553,478	\$47,833,225
Annual Deposits	N/A	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000
Interest Income	N/A	621,547	655,978	691,097	726,919	763,458	800,727
Fund 428 Ending Cash Balance	\$30,527,335	\$32,248,882	\$34,004,860	\$35,795,957	\$37,622,876	\$39,486,334	\$41,387,061
Cash Reserve Less Liability	<u>\$5,534,385</u>	<u>(\$494,328)</u>	<u>(\$1,498,267)</u>	<u>(\$2,594,429)</u>	<u>(\$3,783,801)</u>	<u>(\$5,067,144)</u>	<u>(\$6,446,164)</u>
<b>Fund 421 Bee Ridge</b>							
Post-closure Liability							
Inflation Adjustment	N/A	\$0	\$46,962	\$39,918	\$32,573	\$24,918	\$16,945
Less Expenditures	N/A	(391,354)	(399,181)	(407,164)	(415,308)	(423,614)	(432,086)
Projected Post-closure Liability	\$2,739,475	\$2,348,122	\$1,995,903	\$1,628,657	\$1,245,923	\$847,227	\$432,086
Annual Deposits	N/A	\$396,683	\$399,181	\$407,164	\$415,308	\$423,614	\$432,086
Interest Income	N/A	77,669	79,275	80,861	82,478	84,128	85,810
Less Expenditures	N/A	(391,354)	(399,181)	(407,164)	(415,308)	(423,614)	(432,086)
Fund 421 Ending Cash Balance	\$3,880,767	\$3,963,766	\$4,043,041	\$4,123,902	\$4,206,380	\$4,290,508	\$4,376,318
Cash Reserve Less Liability	<u>\$1,141,292</u>	<u>\$1,615,644</u>	<u>\$2,047,137</u>	<u>\$2,495,244</u>	<u>\$2,960,457</u>	<u>\$3,443,280</u>	<u>\$3,944,232</u>

[1] The County and their consulting engineer have recently reevaluated the estimated cost of closure and post-closure which have been recognized here as an adjustment.

- The Study assumes debt issuance in the amount of \$10.1 million assumed to be issued July 31, 2024 of which includes a project fund deposit of \$10.0 million plus a 0.75% allowance for issuance cost. The proceeds will be used for the purchase of land. An interest rate of 4.15% and an amortization period of 15 years was assumed, while interest only was assumed for fiscal year 2024. Total debt service payments for the new loan are estimated at approximately \$918,000 per year during the forecast period.
- As a result, the Department's total annual debt service payments will average approximately \$3.2 million dollars per year over the Forecast Period. All other capital was assumed to be funded with internal resources over the Forecast Period.

- Based on the findings of this Study, the forecasted revenues under existing charges are not anticipated to be sufficient to fully fund the projected increases in the cost of operation, debt service, and capital needs of the System. The following table provides a summary of the identified revenue adjustments for the Forecast Period:

Identified Rate Adjustments by Fiscal Year					
Description	Proposed			Identified	
	2025	2026	2027	2028	2029
Tipping Fees [1]	3.0%	3.0%	3.0%	3.0%	3.0%
Assessment Revenues [2]	13.0%	11.5%	2.0%	2.0%	2.0%

[1] Assumes all County tipping fees are increased by 3.0% each year and effective October 1 except for the C&D rate, of which will be adjusted based upon the increase in the contractual disposal rate as prescribed by the C&D Disposal contract.

[2] Reflects estimated increase in contracted franchise collection costs anticipated to occur beginning March 30, 2025 and based on information provided by County staff.

- Recommended Adjustments to Residential Assessment:**

- The existing residential assessment revenues are not anticipated to be sufficient to fund the cost of operations and maintenance of the System based on the assumptions and analysis as outlined in this study.
- The need for increases in the residential assessment are primarily due to anticipated increased costs in franchise collection services. The County’s franchise hauler agreement will expire March 29, 2025 which was assumed to result in an approximate increase of 48% compared to contract rates under the existing contract. Estimates used in the analysis were provided by County staff and are comparable to the increases that other solid waste system operators have witnessed in recent years.
- Residential garbage carts must be replaced in Fiscal Year 2025 at an estimated cost of \$10.0 million assumed to be funded from cash reserves from Fund 423.

The following provides a summary of the overall recommended change to the residential assessments:

Existing and Proposed Residential Assessment [1]				
Customer Class	Description	Adopted	Proposed	
		2024	2025	2026
Single Family (Class I)	Percent Increase		<b>13.0%</b>	<b>11.5%</b>
	Annual Assessment	<u>\$233.59</u>	<u>\$263.96</u>	<u>\$294.32</u>
	Change in Assessment		+\$30.37	+\$30.36
Multi Family (Class II)	Percent Increase		<b>13.0%</b>	<b>11.5%</b>
	Annual Assessment	<u>\$197.65</u>	<u>\$223.34</u>	<u>\$249.02</u>
	Change in Assessment		+\$25.69	+\$25.68

[1] The residential assessment includes collection, disposal, recyclables processing, and the cost of administration.



- **Change in Assessment Methodology:**

- The County levies a non-ad valorem assessment to all single family and multi-family dwellings for solid waste service. Currently, Class I customers are properties with between 1 and 9 dwelling units and Class II customers are those with ten or more. In order to align the assessment rate more closely to the level of service provided to customers, County staff wishes to revise this assessment methodology such that Class I customers will be those receiving curbside cart service and Class II customers will be those receiving bin (dumpster) service.
- Based on existing customer data and anticipated customer growth, the change in methodology results in a shift of approximately 30,000 dwelling units from Class II to Class I assuming the change is effective October 1, 2024 (Fiscal Year 2025).
- Such changes in the classification of residential customers and the additional revenues produced by this change were recognized in this analysis and reflected in the proposed rate recommendations.

- **Recommended Adjustments to Tipping Fees:**

- The existing tipping fee revenues are not anticipated to be sufficient to fund the cost of operations and maintenance of the System based on the assumptions and analysis as outlined in this study.
- The primary drivers of the required rate increases include i.) the need to issue additional debt to fund the Albritton Property purchase; ii.) required ongoing capital transfers to fund the capital improvement plan; iii.) required ongoing transfers to the closure funds; and iv.) the effects of inflation on operating and maintenance expenses as well as contractual disposal arrangements with inflation indexing provisions allowed by contract.

Description	Existing and Proposed Tipping Fees					
	Existing 2024	Proposed		Identified		
	2024	2025	2026	2027	2028	2029
<b>Tipping Fee Increases</b>		<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>
MSW	\$59.08	\$60.85	\$62.68	\$64.56	\$66.50	\$68.50
MSW (Municipal Rate)	56.31	58.00	59.74	61.53	63.38	65.28
Yard Waste	46.05	47.43	48.85	50.32	51.83	53.38
Tires	290.61	299.33	308.31	317.56	327.09	336.90
Sludge	76.98	79.29	81.67	84.12	86.64	89.24
<b>Assumed C&amp;D Contract Rate Passthrough</b>		<b>4.0%</b>	<b>3.2%</b>	<b>2.8%</b>	<b>2.5%</b>	<b>2.5%</b>
C&D Tipping Fee	\$58.19	\$60.52	\$62.46	\$64.18	\$65.78	\$67.42
<b>Effective Fund 420 Revenue Increase</b>		<b>2.76%</b>	<b>2.73%</b>	<b>2.71%</b>	<b>2.71%</b>	<b>2.71%</b>

[1] Assumes all County tipping fees, including those not listed here, are increased by 3.0% each year and effective October 1 of each year except for the C&D rate, of which will be adjusted based upon the increase in the contractual disposal rate as prescribed by the C&D Disposal contract and made effective July 1 of each year.

### **Other Forecast Considerations:**

**Expiring Contractual Agreements:** The County is in the process of selecting a franchise collection provider of which such contract is anticipated to be effective beginning of March 30, 2025. To the extent the terms and costs are materially different than those assumed in this analysis, additional rate increase may be required. During the forecast period, the hazardous waste removal agreement, Paradigm scale software license agreement, and the landfill gas energy system agreement expires. Additionally, single stream recycling and C&D processing initial terms expire but both have the possibility of multi-year renewal periods. Any expiration of existing contracts creates additional uncertainty regarding future costs. Should the costs exceed the inflationary allowances assumed in this analysis, additional rate increases may be required.

**The Economy and Inflation:** Beginning in 2019, the rate of inflation significantly increased above prevailing trends. However, inflation has recently begun trending lower in 2023. In an effort to maintain conservative estimates but not set rates too high, and recognizing the County regularly reviews the sufficiency of solid waste rates, the inflation estimates assumed for this analysis largely assume a return to pre-2019 trends and conservative estimates of customer and tonnage growth were assumed for the forecast period. Uncertainty surrounding inflation can have a significant effect on the forecast of contracted services, of which many of the agreements include indexing or pass-through provisions to the County. To the extent that waste deliveries decline below projections in the Study or inflation is greater than assumed, rate revenue adjustments above what is currently identified in this Study may be required.

**Hurricanes and Debris Removal:** The County's coastal location puts it at risk of experiencing tropical storms and hurricanes. The Solid Waste Department is responsible for collecting resulting debris from these events which often come at a significant cost. An analysis performed by Raftelis determined average debris removal cost of \$55 million for County's who have been significantly impacted by a major hurricane (category 3 and above). Though the Federal Emergency Management Agency (FEMA) and the State of Florida often reimburse a majority of these costs, the timing of these reimbursements as well as the unreimbursed costs require substantial cash outlays. The Solid Waste Department has approximately \$25 million in reserves for the purpose of funding debris removal efforts.

**SARASOTA COUNTY, FLORIDA**  
**FISCAL YEAR 2024**  
**SOLID WASTE RATE EVALUATION**

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**SECTION 1 - REVENUE SUFFICIENCY**

**GENERAL**

Raftelis Financial Consultants, Inc. ("Raftelis") has completed, for your consideration, our review and analysis of the Sarasota County (the "County") Solid Waste Department's (the "Department") rate evaluation (the "Study"). The Study review period encompassed the Fiscal Years 2024 (current budget year) through 2029 (collectively, the "Forecast Period") with the accounting period from October 1 through September 30 being the "Fiscal Year". The purpose of the Study was to:

- Identify the ability of revenues derived from the current charges for solid waste services and ongoing operations of the Department to fund projected expenditures and provide sufficient net revenues to fund necessary transfers for capital improvements, landfill closure, and long-term care.
- Provide an evaluation of the Integrated Solid Waste Management System's (the "System") overall financial position and cash balances / reserves relative to identified need (i.e., accumulated landfill closure and long-term care liabilities, operating expenses, capital expenditures, etc.), and recommendations concerning internal financial targets.
- Discuss and recognize the change in the residential assessment methodology from a unit type basis to a service type basis.
- Develop a financial plan with County staff to maintain and promote the creditworthiness of the Department and assist in the overall strategic planning process with the ultimate objective of promoting long-term financial sustainability.

The Study is based on information provided by County staff including, but not limited to, the number of residential properties assessed for collection and disposal service, historical waste deliveries to County facilities, historical financial operating results, budgetary information, capital plans, long-term liabilities associated with closure and post-closure of the County's landfills, and other financial and statistical information.

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## FORECAST OF REVENUES

The revenues for the System are principally generated from the rates for solid waste service, which include revenues from disposal tipping fees and the annual residential assessment for collection and disposal services. Such revenues account for approximately 98% of gross revenues over the Forecast Period, while the balance of gross revenues is generated from miscellaneous service charges, scrap sales, franchise fees, and interest income on investments. Since most System revenues are generated from tipping fees and the annual residential assessment, the forecast of revenues is primarily determined by projections of the estimated number of customers receiving service and their demands (i.e., waste disposed).

### Customer and Demand Forecast

The forecast of solid waste service revenues relied upon a review of recent historical trends in solid waste customer account growth and tonnage statistics. The following table provides a summary of projected trends in solid waste customer billing statistics:

Solid Waste System Billing Statistics [1]		
Fiscal Year	Average Annual Residential Accounts [2]	Waste Disposed (Tons)
2024	168,683	503,326
2025	171,044	502,390
2026	173,310	509,300
2027	175,345	515,555
2028	177,186	521,128
2029	178,958	526,250
Annual Growth	1.19%	0.89%

[1] Based on historical data and population projections provided by the County.

[2] Represents average annual residential households.

Based on discussions with County staff and County population estimates, it is assumed for the Forecast Period that the County may expect to experience average annual growth in customer accounts of approximately 1.2% per year. Waste generation is expected to increase at a rate of approximately 0.9% per year, as not all waste types (e.g., construction and demolition debris, biomass, tires) are anticipated to increase at the same rate as residential customer growth.

Waste disposed in fiscal year 2023 was approximately 581,772 tons which is significantly higher than recent trends. This was predominantly due to the effects of Hurricane Ian impacting the County and neighboring areas causing an increase in construction and demolition tonnage and self-haul commercial MSW. As shown in the chart above, it was assumed that waste disposed will return to trend and decline in Fiscal Year 2024 and 2025.

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## Projected Revenues

The revenue forecast was based on: i) a review of historical trends in revenues; ii) Fiscal Year 2024 operating budget; iii) customer and demand forecast as previously discussed; iv) assumed implementation of identified rate adjustments to fund the projected revenue requirements; and v) discussions with County staff.

Fiscal Year	Identified Rate Revenue Adjustments		Projected System Revenues			
	Disposal [2]	Assessment	Disposal Rate Revenues	Assessment Rate Revenues [3]	Other Revenues [4]	Total Revenues
2024 [1]	N/A	N/A	\$28,337,651	\$36,168,127	\$2,831,695	\$67,337,473
2025	3.0%	13.0%	29,060,530	42,603,640	1,584,934	73,249,104
2026	3.0%	11.5%	30,263,785	48,132,226	1,363,275	79,759,287
2027	3.0%	2.0%	31,466,262	49,671,507	1,361,353	82,499,122
2028	3.0%	2.0%	32,667,070	51,196,780	1,359,498	85,223,348
2029	3.0%	2.0%	33,882,641	52,742,923	1,360,052	87,985,616
Growth Rate			3.64%	7.84%	(13.64%)	5.49%

[1] Reflects rates adopted pursuant Resolution 2023-100 and 2023-159 effective October 1, 2023.

[2] All tipping fees assumed to be increased 3.0% per year except for the C&D tipping fee which is assumed to increase based on estimates of the contract disposal C&D disposal rate and associated inflation provisions as allowed by contract.

[3] Assumes implementation of assessment methodology change to recognize class I and class II customers based on service type rather than dwelling type.

[4] Amounts shown include revenues not derived from user rates such as landfill gas to energy sales, recycling revenues, and investment income. The decline in Other Revenues in Fiscal Year 2025 is due to a one-time transfer from Fund 427 (bank loan proceeds) to Fund 420 for the reimbursement of costs associated with the purchase of the Albritton Property.

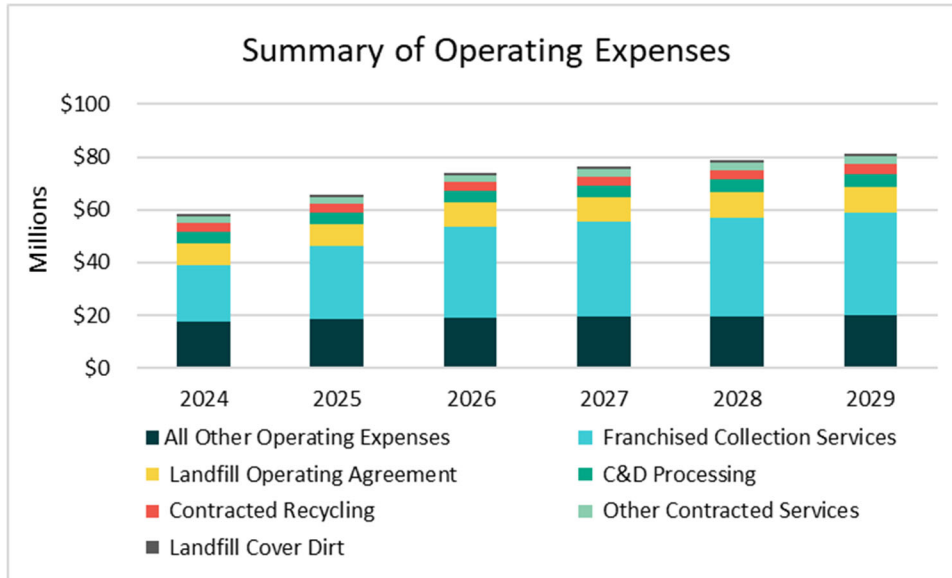
## FORECAST OF EXPENDITURES

Forecast Period expenditures can be categorized into three primary groups: operation and maintenance (operating) expenses, debt service payments, and transfers. Presently, operating expenses account for the majority, or 90%, of gross revenue requirements, while the remaining 10% are related to debt service requirements and transfers to the capital fund, the landfill closure funds, and the general fund.

### Operating Expenses

The forecast of operating expenses was developed based upon: i) a review of recent trends in historical expenses; ii) the adopted Fiscal Year 2024 budget; iii) assumed growth rates of costs based on industry trends, projections of inflation by the Congressional Budget Office and other resources; and iv) discussions with County staff.

The principal operating expenses of the System are related to the County's contract disposal (landfill operations, C&D, and recycling) and franchise hauler expenses which account for approximately 64% of total operating expenses. As is common among these types of contracts, provisions allow for the annual indexing of rates charged to the County. Thus, most of the System's operating expenses are automatically indexed by inflation and outside the day-to-day control of County staff. The forecast of contractual operating expenses was escalated annually for the Forecast Period consistent with the index provisions prescribed in each relevant contract and estimates thereof. Other operating expenses relied upon various escalation factors ranging from 2.3% to 7.5% depending upon the character of such costs. The following chart presents the forecast of operating expenses:



A key assumption in the Study is the assumed cost increases associated with the franchise collection contract. The existing contract expires March 29, 2025. Based on information provided by County staff, a rate of approximately \$16.00 per residential unit was assumed effective March 30, 2025 and represents an approximate 43% increase from the fiscal year 2024 franchise rates. The contract rates were escalated annually based on the same index in the existing contract, which equates to approximately 2.7% per year.

### Contract Operations

#### Franchise Collection Services

Approximately 37% of System operating expenses are associated with the County’s franchise collection services contract. Since 2004, the County has contracted with Waste Management Inc. of Florida (“Waste Management”) for the collection of solid waste, residential recyclables, and yard trash for residential and commercial customers within the County’s service area. Commercial customers may directly contract Waste Management for service. The County pays for collection service monthly and recovers the costs from residential and multi-family customers through a non-ad valorem assessment. The collection rates are adjusted annually based on a function of the Consumer Price Index (“CPI”) from the Bureau of Labor Statistics and the Fuel Price Index as published by the Energy Information Administration of the U.S. Department of Energy. The existing agreement will expire on March 29, 2024. As discussed above, assumptions regarding the anticipated increase in contractual costs were made based on information provided by County staff.

#### Landfill Operating Agreement

Approximately 14% of System operating expenses are associated with the disposal and management of solid waste materials through the landfill operating agreement. The County contracts with GFL Waste Southeast LLC (“GFL”) to operate the Central County Solid Waste Disposal Complex. GFL is responsible for operating the complex, including the County’s class I landfill at the site and disposal of class I waste, yard trash, tires, and white goods. Contract disposal rates are adjusted annually based on CPI. The term of the agreement is 10 years from the effective date (January 1, 2023) or until the Phase III area of the landfill reaches capacity, whichever occurs earlier and with the possibility of one five-year extension.

#### C&D Facility Operating Agreement

The County also contracts with GFL to provide construction and demolition recycling services at the County-owned C&D facility. The agreement commenced on June 1, 2019 with an initial term of 7 years and an optional renewal term of 3 years. C&D contract disposal costs are approximately 8% of System operating expenses.

Residential Recyclables Processing Contract

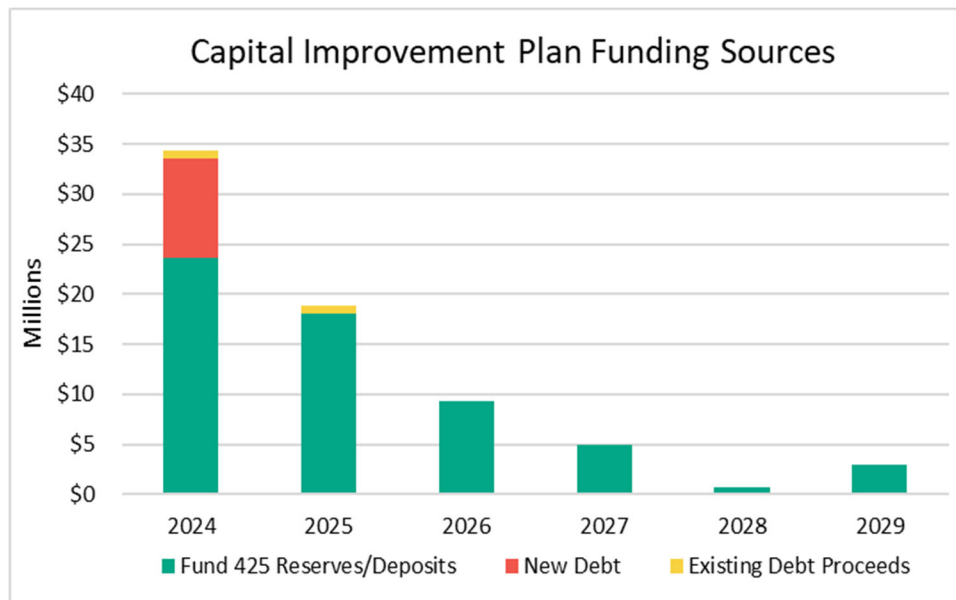
The County contracts with Single Stream Recyclers, LLC to process recyclable materials at the contractor-owned materials recovery facility. The contract commenced on October 1, 2019 with an initial term of 7 years and up to four additional two-year renewal periods. Recyclables processing costs are approximately 5% of System operating expenses.

**Capital Expenditures**

Capital reinvestment and funding are integral to the continuity and quality of service delivered to customers. These expenditures, coupled with the need to meet the growth requirements of the System, contributed to the capital improvement plan developed by County staff. The table below provides a summary of the capital expenditures by funding source for the Forecast Period.

<b>Capital Funding – Fiscal Years 2024-2029 [*]</b>		
Funding Source	Amount	% of Total
Capital Fund Deposits and Reserves	\$61,080,312	85.9%
Proposed Series 2024 Note	10,000,000	14.1%
<b>Total Funding</b>	<b>\$71,080,312</b>	<b>100.0%</b>

The capital improvement plan (CIP) includes capital funding associated with renewals and replacements of existing assets as well as new infrastructure. Major projects in the CIP include: i) the Albritton Groves property purchase; ii.) the Central County scale replacement and access improvements; iii) the Venice Household Hazardous Waste Facility replacement; and iv) leachate pretreatment and storage improvements. The overall amount of programmed capital expenditure is estimated at approximately \$71.1 million of which \$10.0 million is assumed to be funded through the issuance of debt. The remaining funding requirements are anticipated to be financed from internal sources derived from existing cash reserves, programmed transfers from rate revenues to the Solid Waste Capital Projects Fund, and prior debt proceeds. A summary of the CIP by funding source is shown in the chart below.



**DEBT SERVICE REQUIREMENTS**

The System has previously issued debt to fund major capital projects and currently has one loan outstanding as of the date of this report. The Series 2021 Revenue Note was issued to fund the Phase III Landfill Cell Expansion project and represents approximately \$32 million in outstanding principal. The note reaches maturity in Fiscal Year 2040. An additional \$10.1 million in debt is assumed to be issued July 31, 2024 amortized over 15 years at an interest rate of 4.15%. Payments in 2024 are assumed to include interest only. The proposed debt service payments are estimated at approximately \$916,000 per year resulting in total debt service payments of an estimated \$3.2 million per year during the forecast period.

<b>Projected Debt Service Coverage (000s) [1]</b>					
<b>Fiscal Year</b>	<b>Gross Revenues</b>	<b>Less Expenses</b>	<b>Net Revenue Available</b>	<b>Total Debt Service</b>	<b>Coverage</b>
2024	\$67,337,473	\$58,370,408	\$8,967,065	\$2,338,309	3.83
2025	73,249,104	65,792,401	7,456,703	3,181,605	2.34
2026	79,759,287	73,984,347	5,774,940	3,181,240	1.82
2027	82,499,122	76,335,253	6,163,869	3,179,293	1.94
2028	85,223,348	78,675,602	6,547,746	3,180,763	2.06
2029	87,985,616	81,060,344	6,925,272	3,180,543	2.18

[1] Expenses exclude transfers to the landfill closure fund.

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## LANDFILL CLOSURE FUNDS

Pursuant to the Florida Administrative Code (the "Code") 62-701.630, landfill operators within the State are required to demonstrate financial assurance for the final closure and subsequent on-going post-closure costs. The Code identifies several methods for demonstrating financial assurance, while the most common is to set aside funds in a restricted fund as landfill capacity is used. The County is using the *financial test* method to meet the financial assurance requirements of FDEP but continues to set aside funds designated for closure and post-closure costs. The Florida Department of Environmental Protection requires the County to annually submit proof of compliance with the financial assurance requirements of the Code. The County owns three landfills; the Central County Landfill currently in operation, the Bee Ridge Landfill which officially closed in March of 2000, and the Venice Landfill which is the site of the County's Jackson Road transfer station and household hazardous waste collection site. The Venice Landfill was decommissioned prior to FDEP financial assurance requirements.

Summary of Landfill Capacity and Closure / Post-closure Liability							
Description	2023	2024	2025	2026	2027	2028	2029
<b>Fund 428 Central County</b>							
Total Estimated Remaining Landfill Capacity (yd <sup>3</sup> )	15,476,160	14,972,523	14,461,838	13,944,009	13,419,710	12,889,647	12,354,287
Total Landfill Capacity (yd <sup>3</sup> )	26,364,401	26,364,401	26,364,401	26,364,401	26,364,401	26,364,401	26,364,401
Closure / Post-closure Costs							
Revised Estimate Adjustment	N/A	\$17,787,858	\$0	\$0	\$0	\$0	\$0
Other Adjustment	N/A	0	1,863,514	1,900,784	1,938,800	1,977,576	2,017,128
Total Projected Closure/Post-closure Costs	\$75,387,852	\$93,175,710	\$95,039,224	\$96,940,009	\$98,878,809	\$100,856,385	\$102,873,513
Total Estimated Cumulative Liability	\$24,992,950	\$32,743,211	\$35,503,127	\$38,390,386	\$41,406,677	\$44,553,478	\$47,833,225
Annual Deposits	N/A	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000
Interest Income	N/A	621,547	655,978	691,097	726,919	763,458	800,727
Fund 428 Ending Cash Balance	\$30,527,335	\$32,248,882	\$34,004,860	\$35,795,957	\$37,622,876	\$39,486,334	\$41,387,061
Cash Reserve Less Liability	\$5,534,385	(\$494,328)	(\$1,498,267)	(\$2,594,429)	(\$3,783,801)	(\$5,067,144)	(\$6,446,164)
<b>Fund 421 Bee Ridge</b>							
Post-closure Liability							
Inflation Adjustment	N/A	\$0	\$46,962	\$39,918	\$32,573	\$24,918	\$16,945
Less Expenditures	N/A	(391,354)	(399,181)	(407,164)	(415,308)	(423,614)	(432,086)
Projected Post-closure Liability	\$2,739,475	\$2,348,122	\$1,995,903	\$1,628,657	\$1,245,923	\$847,227	\$432,086
Annual Deposits	N/A	\$396,683	\$399,181	\$407,164	\$415,308	\$423,614	\$432,086
Interest Income	N/A	77,669	79,275	80,861	82,478	84,128	85,810
Less Expenditures	N/A	(391,354)	(399,181)	(407,164)	(415,308)	(423,614)	(432,086)
Fund 421 Ending Cash Balance	\$3,880,767	\$3,963,766	\$4,043,041	\$4,123,902	\$4,206,380	\$4,290,508	\$4,376,318
Cash Reserve Less Liability	\$1,141,292	\$1,615,644	\$2,047,137	\$2,495,244	\$2,960,457	\$3,443,280	\$3,944,232

[2] The County and their consulting engineer have recently reevaluated the estimated cost of closure and post-closure which have been recognized here as an adjustment.

As shown in the prior table, the County has approximately \$34.4 million in combined reserves as of October 1, 2023. The County’s consulting engineer has provided updated estimates of closure and post-closure costs associated with the Central County Landfill, which have increased by approximately \$17.8 million or 24% compared to Fiscal Year 2023 estimates. Closure cost estimates assume a traditional soil final cover and soil material costs based on market rates; however, the County believes cost savings may be realized by using an exposed geomembrane cover and soil sourced from the County’s soil borrow. Other cost savings and avoided costs for both closure and long-term care are expected and therefore, the current estimated liability is not assumed to be fully funded. The County maintains compliance with FDEP financial assurance requirements through the financial test method and is therefore not required to maintain a fully funded landfill closure fund.

## PRINCIPAL FINDINGS

Based on the key assumptions of the Study, we have determined that the existing rates for solid waste service are not projected to generate sufficient revenues to fund the projected needs of the System. The following chart provides a breakdown of the projected revenue requirements for both the Solid Waste Management Fund (420) and Residential Franchise District Fund (423) and revenues at proposed rates.

Summary of Solid Waste Management and Residential Franchise District Revenue Requirements (\$000s)						
Description	2024	2025	2026	2027	2028	2029
<b>Solid Waste Management (420)</b>						
Operating Expenses	\$23,228	\$23,648	\$24,480	\$25,291	\$26,099	\$26,923
Indirect Cost Allocation Transfers	466	854	878	903	928	955
Debt Service	2,338	3,182	3,181	3,179	3,181	3,181
Transfer to Capital Fund	6,881	5,000	1,250	1,500	2,000	2,000
Transfer to Closure Funds	1,497	1,499	1,507	1,515	1,524	1,532
Transfer to / (from) Operating Reserves	<u>(3,834)</u>	<u>(4,170)</u>	<u>(123)</u>	<u>(15)</u>	<u>(159)</u>	<u>199</u>
Total Revenue Requirements	\$30,576	\$30,012	\$31,173	\$32,374	\$33,573	\$34,789
Revenues at Proposed Rates	\$30,576	\$30,012	\$31,173	\$32,374	\$33,573	\$34,789
Surplus / (Deficiency)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Residential Franchise District (423)</b>						
Operating Expenses	\$34,677	\$41,291	\$48,626	\$50,141	\$51,648	\$53,182
Debt Service	0	0	0	0	0	0
Transfer to / (from) Operating Reserves	<u>2,085</u>	<u>1,946</u>	<u>-40</u>	<u>(16)</u>	<u>2</u>	<u>14</u>
Total Revenue Requirements	\$36,761	\$43,237	\$48,586	\$50,125	\$51,650	\$53,197
Revenues at Proposed Rates	\$36,761	\$43,237	\$48,586	\$50,125	\$51,650	\$53,197
Surplus / (Deficiency)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

The identified rate adjustments have been estimated to produce enough revenues to meet the needs of the System during the Forecast Period based on the assumption outlined in this report. The primary drivers of the projected increases in gross revenue requirements are due to the anticipated increases in contractual disposal and collection costs, effects of inflation on operating and maintenance expenditures, the required capital and closure related transfers, and the debt service payments associated with the anticipated debt issuance. Though assumptions about future franchise collection expenses have been made in this Study, actual costs may differ based on the negotiations and outcome of the procurement and selection process.

The following table provides a summary of projected operating cash balances and financial targets by fund:

<b>Summary of Operating Reserves and Financial Target Compliance (\$000s)</b>						
Fiscal Year Ending September 30,						
Description	2024	2025	2026	2027	2028	2029
<b>Fund 420 – Solid Waste Management</b>						
Projected Ending Balance	\$30,780	\$26,609	\$26,486	\$26,471	\$26,312	\$26,511
Less Cash Reserved for Hurricane Cleanup	(17,000)	(17,000)	(17,000)	(17,000)	(17,000)	(17,000)
Remaining Operating Cash Balance	\$13,780	\$9,609	\$9,486	\$9,471	\$9,312	\$9,511
Target Operating Reserve (Days of O&M)	90	90	90	90	90	90
Projected Operating Reserve (Days of O&M)	217	148	141	137	130	129
<b>Fund 423 – Residential Franchise District</b>						
Projected Ending Balance	\$28,272	\$20,218	\$20,178	\$20,162	\$20,164	\$20,178
Less Cash Reserved for Hurricane Cleanup	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)
Remaining Operating Cash Balance	\$20,272	\$12,218	\$12,178	\$12,162	\$12,164	\$12,178
Target Operating Reserve (Days of O&M)	90	90	90	90	90	90
Projected Operating Reserve (Days of O&M)	286	139	113	109	105	102

### Rate Comparison

A comparison of solid waste charges (annual residential charges and commercial tipping fees) with other neighboring entities was prepared to provide an indication of the competitiveness of the existing rates charged by the County.

Description	Residential Assessment [1]	Tipping Fees		
		MSW	Yard Waste	Tires
<b>Sarasota County</b>				
Sarasota County - Existing	\$233.59	\$59.08	\$46.05	\$290.61
Sarasota County – Recommended FY25	\$263.96	\$60.85	\$47.43	\$299.33
<b>Other Solid Waste Entities</b>				
Broward County	\$487.00	\$65.00	\$50.00	\$130.00
Charlotte County	292.28	39.28	39.28	125.46
City of Tampa	418.92	71.00	71.00	121.00
Collier County	249.29	80.85	52.40	223.12
Hernando County	289.43	60.50	54.50	150.00
Hillsborough County	437.51	104.60	48.11	186.25
Lee County	307.06	63.56	39.97	160.00
Manatee County	283.80	40.00	40.00	86.00
Miami-Dade County	509.00	107.80	107.80	140.00
Palm Beach County	466.33	42.00	35.00	100.00
Pasco County	327.48	91.25	91.25	200.00
Polk County	206.50	36.50	22.00	300.00
Other Florida County Average	\$356.22	\$66.86	\$54.28	\$160.15

[1] Represents assessment for customers receiving curbside cart service.

## **SECTION 2 – ASSESSMENT METHODOLOGY REVISION**

The County levies a non-ad valorem assessment on all single and multi-family residential dwellings to cover the costs of collection, disposal, and administration of solid waste services. Currently, there are two customer classes; Class I customers are properties with between 1 and 9 dwelling units, while Class II customers are properties with ten or more dwelling units. Class II customers are charged a rate that is approximately 85% of the Class I assessment rate. Within Class II, there are currently multi-family units that receive the same level of service as customers in Class I. County staff wish to revise the residential assessment so that customer class is determined by service type, such that Class I customers are those receiving curbside cart service and Class II customers are those receiving bin (dumpster) service.

The change in methodology to determine customer class results in a shift of customers from Class II to Class I. The table below shows the existing Class I and Class II dwelling units and the projected amounts estimated for fiscal year 2025 after the change.

<b>Projected Dwelling Units</b>		
	Class I	Class II
Fiscal Year	Dwelling Units	Dwelling Units
2024	109,048	58,462
2025 [1]	139,853	30,002

[1] Revised dwelling units by class based on information provided by County staff and anticipated customer growth.

### **Bill Impacts on Customers**

Customers currently designated as Class II receiving curbside cart service will see an increase in their assessment rate for fiscal year 2025 due to both the reclassification to Class I and from rate increases to both assessment charges. Dwellings units impacted by the reclassification are estimated to be approximately 30,000, which includes existing customers and additional customers from growth anticipated during fiscal year 2024.

<b>Existing and Proposed Class II Assessment</b>		
	2024 Class II	2025 Class I
Annual Assessment Rate	\$197.65	\$263.96
Cumulative Annual Change [1]		\$66.31
Cumulative Monthly Change		\$5.53

[1] Approximately 61% of the increase is associated with the reclassification from Class II to Class I for this subset of customers.

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### **SECTION 3 - CONCLUSIONS AND RECOMMENDATIONS**

Based on the assumptions, considerations, and analyses as summarized herein, we are of the opinion that:

1. The County's existing rates for service are not anticipated to recover the projected revenue requirements (System expenditure and funding needs) for the Forecast Period.
2. The primary drivers of the rate recommendations are due to the anticipated increase in cost associated with the franchise collection contract, the required capital and closure-related transfers to fund the capital improvement program and closure/post-closure landfill liabilities, the increase in debt service and coverage requirements associated with the proposed new debt issuance, and the effects of inflation related to operating expenses and contract service providers.
3. The following rate adjustments for solid waste service were identified for the Fiscal Years 2025 through 2029.

Description	Identified Rate Adjustments by Fiscal Year			Identified 2028	2029
	Proposed 2025	2026	2027		
Tipping Fees [1]	3.0%	3.0%	3.0%	3.0%	3.0%
Assessment Revenues [2]	13.0%	11.5%	2.0%	2.0%	2.0%

[1] Assumes all County tipping fees are increased by 3.0% each year and effective October 1 except for the C&D rate, of which will be adjusted based upon the increase in the contractual disposal rate as prescribed by the C&D Disposal contract.

[2] Reflects estimated increase in contracted franchise collection costs anticipated to occur beginning March 30, 2025 and based on information provided by County staff.

4. The rate adjustments shown above are projected to fully fund the operation and maintenance of the system over the forecast period based on the assumptions delineated in this report. Additionally, the rates are anticipated to provide adequate revenues to fund the proposed and existing debt service requirements and maintain adequate debt service coverage.
5. The projected results and assumptions contained in this Study may vary from actual results. As such, County staff should continue to perform regular evaluations to validate that the identified rate adjustments will be sufficient to meet the needs of the System.

**Table 1**  
**Fund 420 - Solid Waste Management**

Description	Fiscal Year Ending September 30,					
	2024	2025	2026	2027	2028	2029
<b>Fund 420 - Beginning Cash Balances</b>	\$42,563,298	\$30,779,606	\$26,609,395	\$26,485,935	\$26,471,054	\$26,312,439
<b>Adjust Tip Fees By:</b>						
	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
<b>MSW</b>		3.00%	3.00%	3.00%	3.00%	3.00%
<b>Yard Waste</b>		3.00%	3.00%	3.00%	3.00%	3.00%
<b>C&amp;D (Pass-through)</b>		4.00%	3.20%	2.75%	2.50%	2.50%
<b>Tires</b>		3.00%	3.00%	3.00%	3.00%	3.00%
<b>Asbestos</b>		3.00%	3.00%	3.00%	3.00%	3.00%
<b>Sludge</b>		3.00%	3.00%	3.00%	3.00%	3.00%
<b>By Commodity:</b>						
MSW	\$20,466,830	\$20,753,366	\$21,043,913	\$21,306,962	\$21,541,339	\$21,756,752
Yard Waste	\$3,334,802	\$3,378,742	\$3,423,297	\$3,463,636	\$3,499,578	\$3,532,611
C&D	\$4,406,658	\$4,017,648	\$4,070,999	\$4,119,283	\$4,162,289	\$4,201,804
Tires	\$115,773	\$115,773	\$115,773	\$115,773	\$115,773	\$115,773
Asbestos	\$7,783	\$7,783	\$7,783	\$7,783	\$7,783	\$7,783
Sludge	\$5,806	\$5,806	\$5,806	\$5,806	\$5,806	\$5,806
Existing Rate Revenues	\$28,337,651	\$28,279,117	\$28,667,571	\$29,019,242	\$29,332,567	\$29,620,529
Adjusted Rate Revenues	\$28,337,651	\$29,060,530	\$30,263,785	\$31,466,262	\$32,667,070	\$33,882,641
<b>Other Revenues:</b>						
Methane Sales	322,036	322,036	322,036	322,036	322,036	322,036
Other Operating	61,427	61,427	61,427	61,427	61,427	61,427
Non-Operating	0	0	0	0	0	0
Interest Earnings (Calculated)	804,880	568,208	525,696	524,327	522,609	523,005
Transfers In	1,050,000	0	0	0	0	0
<b>Total Revenues</b>	<b>\$30,575,994</b>	<b>\$30,012,201</b>	<b>\$31,172,944</b>	<b>\$32,374,052</b>	<b>\$33,573,142</b>	<b>\$34,789,109</b>
<b>Operating Expenses:</b>						
Solid Waste Administration	\$652,831	\$673,778	\$684,953	\$707,069	\$729,921	\$753,713
Solid Waste Finance	0	0	0	0	0	0
Solid Waste Unit Support	1,180,579	1,210,543	1,241,296	1,272,858	1,305,252	1,339,527
Hazardous Waste	1,512,084	1,555,966	1,601,184	1,647,779	1,695,796	1,746,120
Hazardous Waste Regulatory Compliance	0	0	0	0	0	0
Solid Waste Education	0	0	0	0	0	0
Code Enforcement	0	0	0	0	0	0
Keep Sarasota Beautiful	121,967	125,506	129,153	132,912	136,786	140,850
Solid Waste Operations Administration	917,006	942,482	968,699	995,681	1,023,451	1,052,627
Engineering Services	1,252,295	1,286,783	1,322,266	1,358,775	1,396,339	1,435,858
Venice Landfill	165,858	170,246	174,755	179,389	184,151	189,177
Leachate Treatment	0	0	0	0	0	0
Construction Demolition	4,580,398	4,325,962	4,513,659	4,687,004	4,854,336	5,022,932
Bee Ridge Landfill	0	0	0	0	0	0
Land Management	666,890	683,146	699,808	716,887	734,394	752,980
Cent Cnt North Borrow Pit	894,974	915,967	937,458	959,458	981,981	1,005,982
Central County Complex	11,282,623	11,757,433	12,206,794	12,633,673	13,056,520	13,482,748
Transfers Out - Excluding Debt & Capital	466,289	853,814	877,973	902,846	928,455	955,334
<b>Total Operating Expenses</b>	<b>\$23,693,794</b>	<b>\$24,501,627</b>	<b>\$25,358,000</b>	<b>\$26,194,333</b>	<b>\$27,027,381</b>	<b>\$27,877,847</b>
<b>Debt Service Requirements</b>						
Existing Debt						
Series 2015 Revenue Refunding Note	\$0	\$0	\$0	\$0	\$0	\$0
Series 2021 Note	2,267,463	2,263,493	2,263,878	2,263,510	2,267,390	2,265,410
Existing Debt 3 (Placeholder)	0	0	0	0	0	0
Existing Debt 4	0	0	0	0	0	0
Proposed Debt						
<i>New Debt (Automated)</i>	\$70,847	\$918,113	\$917,363	\$915,783	\$913,373	\$915,133
<b>Total Debt Service Requirements</b>	<b>\$2,338,309</b>	<b>\$3,181,605</b>	<b>\$3,181,240</b>	<b>\$3,179,293</b>	<b>\$3,180,763</b>	<b>\$3,180,543</b>

**Table 1**  
**Fund 420 - Solid Waste Management**

Description	Fiscal Year Ending September 30,					
	2024	2025	2026	2027	2028	2029
<b><u>Other Revenue Requirements</u></b>						
Transfers to Capital Fund (425)	\$6,880,900	\$5,000,000	\$1,250,000	\$1,500,000	\$2,000,000	\$2,000,000
Capital Funded from Rates	0	0	0	0	0	0
Transfer to Fund 421	396,683	399,181	407,164	415,308	423,614	432,086
Transfer to Fund 428	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
<b>Total Other Revenue Requirements</b>	<b>\$8,377,583</b>	<b>\$6,499,181</b>	<b>\$2,757,164</b>	<b>\$3,015,308</b>	<b>\$3,523,614</b>	<b>\$3,532,086</b>
<b>Net Rate Revenue Requirements</b>	<b>\$32,171,343</b>	<b>\$33,230,741</b>	<b>\$30,387,245</b>	<b>\$31,481,143</b>	<b>\$32,825,685</b>	<b>\$33,684,008</b>
<b>Rate Revenues</b>	<b>\$28,337,651</b>	<b>\$29,060,530</b>	<b>\$30,263,785</b>	<b>\$31,466,262</b>	<b>\$32,667,070</b>	<b>\$33,882,641</b>
<b>Net Surplus / (Deficiency) - \$</b>	<b>(\$3,833,692)</b>	<b>(\$4,170,211)</b>	<b>(\$123,460)</b>	<b>(\$14,881)</b>	<b>(\$158,616)</b>	<b>\$198,633</b>
Net Surplus / (Deficiency) - %	-13.5%	-14.4%	-0.4%	0.0%	-0.5%	0.6%
<b>Transfer In / (Out) to Fund 425 - Excluded from Rate Requirements</b>	<b>(\$7,950,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Fund 420 - Ending Cash Balances</b>	<b>\$30,779,606</b>	<b>\$26,609,395</b>	<b>\$26,485,935</b>	<b>\$26,471,054</b>	<b>\$26,312,439</b>	<b>\$26,511,072</b>
Less Hurricane Reserve	\$17,000,000	\$17,000,000	\$17,000,000	\$17,000,000	\$17,000,000	\$17,000,000
<b>Available Ending Cash Balances</b>	<b>\$13,779,606</b>	<b>\$9,609,395</b>	<b>\$9,485,935</b>	<b>\$9,471,054</b>	<b>\$9,312,439</b>	<b>\$9,511,072</b>
<b>Days of O&amp;M Target (\$)</b>	<b>\$5,727,330</b>	<b>\$5,830,968</b>	<b>\$6,036,171</b>	<b>\$6,236,257</b>	<b>\$6,435,352</b>	<b>\$6,638,428</b>
<b>Days of O&amp;M Calculated (Days)</b>	<b>217</b>	<b>148</b>	<b>141</b>	<b>137</b>	<b>130</b>	<b>129</b>
<b><u>Debt Service Coverage</u></b>						
Gross Revenues	\$29,525,994	\$30,012,201	\$31,172,944	\$32,374,052	\$33,573,142	\$34,789,109
Operating Expenses & Required Transfers	\$23,693,794	\$24,501,627	\$25,358,000	\$26,194,333	\$27,027,381	\$27,877,847
Net Revenues	\$5,832,200	\$5,510,575	\$5,814,945	\$6,179,719	\$6,545,761	\$6,911,262

**Table 2**  
**Fund 423 - Franchise Collection District**

Description	Fiscal Year Ending September 30,					
	2024	2025	2026	2027	2028	2029
<b>Fund 423 - Beginning Cash Balances</b>	\$26,187,282	\$28,272,147	\$20,218,276	\$20,178,271	\$20,162,421	\$20,164,406
<b>Revenue Adjustment - Assessment</b>	0.00%	13.00%	11.50%	2.00%	2.00%	2.00%
<b>Rate Revenues:</b>						
Adjusted Assessment Revenues	\$36,168,127	\$42,603,640	\$48,132,226	\$49,671,507	\$51,196,780	\$52,742,923
<b>Other Revenues:</b>						
Fee from Certificate of Occupancy	0	0	0	0	0	0
Interest-Tax Collector	6,650	6,650	6,650	6,650	6,650	6,650
Other Operating	47,500	47,500	47,500	47,500	47,500	47,500
Non-Operating	0	0	0	0	0	0
Interest Earnings (Calculated)	539,202	579,113	399,966	399,413	399,276	399,434
Transfers In	0	0	0	0	0	0
<b>Total Revenues</b>	<b>\$36,761,479</b>	<b>\$43,236,903</b>	<b>\$48,586,342</b>	<b>\$50,125,070</b>	<b>\$51,650,206</b>	<b>\$53,196,507</b>
<b>Operating Expenses:</b>						
Residential Franchise District	\$34,676,614	\$41,290,775	\$48,626,347	\$50,140,921	\$51,648,221	\$53,182,496
Transfers Out / Contingency	0	0	0	0	0	0
<b>Total Operating Expenses</b>	<b>\$34,676,614</b>	<b>\$41,290,775</b>	<b>\$48,626,347</b>	<b>\$50,140,921</b>	<b>\$51,648,221</b>	<b>\$53,182,496</b>
<b>Debt Service Requirements</b>						
Existing Debt						
<i>Existing Debt Issue 1</i>	\$0	\$0	\$0	\$0	\$0	\$0
<i>Existing Debt Issue 2</i>	0	0	0	0	0	0
<i>Existing Debt Issue 3</i>	0	0	0	0	0	0
Proposed Debt						
<i>New Debt (Automated)</i>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Debt Service Requirements</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Revenue Requirements</b>						
Transfers to Capital Fund (425)	\$0	\$0	\$0	\$0	\$0	\$0
Capital Funded from Rates	0	0	0	0	0	0
<b>Total Other Revenue Requirements</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Revenue Requirements</b>	<b>\$34,083,262</b>	<b>\$40,657,512</b>	<b>\$48,172,231</b>	<b>\$49,687,358</b>	<b>\$51,194,795</b>	<b>\$52,728,912</b>
<b>Rate Revenues</b>	<b>\$36,168,127</b>	<b>\$42,603,640</b>	<b>\$48,132,226</b>	<b>\$49,671,507</b>	<b>\$51,196,780</b>	<b>\$52,742,923</b>
<b>Net Surplus / (Deficiency) - \$</b>	<b>\$2,084,865</b>	<b>\$1,946,128</b>	<b>(\$40,005)</b>	<b>(\$15,850)</b>	<b>\$1,985</b>	<b>\$14,011</b>
Net Surplus / (Deficiency) - %	5.8%	4.6%	-0.1%	0.0%	0.0%	0.0%
<b>Transfer In / (Out) to Fund 425 - Excluded from Rate Requirements</b>	<b>\$0</b>	<b>(\$10,000,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Fund 423 - Ending Cash Balances</b>	<b>\$28,272,147</b>	<b>\$20,218,276</b>	<b>\$20,178,271</b>	<b>\$20,162,421</b>	<b>\$20,164,406</b>	<b>\$20,178,417</b>
Less Hurricane Reserve	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000
<b>Available Ending Cash Balances</b>	<b>\$20,272,147</b>	<b>\$12,218,276</b>	<b>\$12,178,271</b>	<b>\$12,162,421</b>	<b>\$12,164,406</b>	<b>\$12,178,417</b>
<b>O&amp;M Recognized of Days Cash Calculation</b>	<b>\$25,909,238</b>	<b>\$32,155,033</b>	<b>\$39,365,795</b>	<b>\$40,766,115</b>	<b>\$42,170,884</b>	<b>\$43,609,901</b>
Days of O&M Target (\$)	\$6,388,579	\$7,928,638	\$9,706,634	\$10,051,919	\$10,398,300	\$10,753,126
Days of O&M Calculated (Days)	286	139	113	109	105	102



**Table 3**  
**Fund 425 - Solid Waste Capital Projects**

Description	Function	Fiscal Year Ending September 30,					
		2024	2025	2026	2027	2028	2029
<b>Fund 425 - Beginning Cash Balance</b>		\$22,577,548	\$14,200,496	\$11,373,084	\$3,471,558	\$113,815	\$1,378,591
<b>Interest Earnings (Calculated)</b>	<i>Interest Rate:</i> 2.00%	\$364,139	\$253,204	\$146,977	\$35,499	\$14,776	\$17,572
<b>Transfers In</b>	<i>Org Code</i>						
Transfers from Fund 420		6,880,900	5,000,000	1,250,000	1,500,000	2,000,000	2,000,000
Transfers from Fund 420 (from 420 reserves)		7,950,000	0	0	0	0	0
Transfers from Fund 423		0	0	0	0	0	0
Transfers from Fund 423 (from 423 reserves)		0	10,000,000	0	0	0	0
<b>Total Transfers In</b>		\$14,830,900	\$15,000,000	\$1,250,000	\$1,500,000	\$2,000,000	\$2,000,000
<b>Capital Improvement Program</b>							
Internal Resources (Pay-go, Reserves, etc.)	<i>Choose:</i>						
CCSWDC Scale Replacement & Access Improvements	Fund 425	\$0	\$0	\$0	\$0	\$0	\$0
CCSWDC Scale Replacement & Access Improvements	Fund 425	0	3,935,218	3,610,103	0	0	0
CCSWDC Phase III Landfill Development & Construction	Fund 425	114,038	0	0	0	0	0
CCSWDC Phase II Landfill Subcell 3 and 4 Gas Collection System	Fund 425	2,214,664	0	0	0	0	0
Hazardous Waste Storage Units Replacement	Fund 425	1,227,264	0	0	0	0	0
Venice Household Hazardous Waste Facility Replacement	Fund 425	2,118,290	1,118,290	0	0	0	0
CCSWDC Facility Improvements Program	Fund 425	1,345,316	500,000	0	0	0	0
CCSWDC Leachate Pretreatment System	Fund 425	2,110,896	750,000	0	0	0	0
CCSWDC Leachate Storage Unit	Fund 425	2,196,332	696,332	0	0	0	0
CCSWDC Leachate Storage Unit	Fund 425	0	0	0	0	0	0
CCSWDC Contractor Fueling Facility Replacement	Fund 425	988,455	580,776	0	0	0	0
CCSWDC Roads	Fund 425	0	0	2,750,000	0	0	0
Materials Recovery Facility Preliminary Engineering Report	Fund 425	667,722	0	0	0	0	0
Anaerobic Digestion System Preliminary Engineering Report	Fund 425	667,722	0	0	0	0	0
Composting Facility Preliminary Engineering Report	Fund 425	667,722	0	0	0	0	0
Bee Ridge HHW Processing Floor Improvements	Fund 425	227,266	0	0	0	0	0
Venice TS	Fund 425	0	0	763,400	0	0	0
Central County Leachate System Improvements Program	Fund 425	576,404	0	0	0	0	0
Clark SW Roads	Fund 425	0	500,000	1,925,000	1,920,000	0	0
Venice Roads	Fund 425	0	0	250,000	2,973,242	0	0
Materials Drying Facility Design and Permitting	Fund 425	0	0	0	0	0	0
Landfill Gas System Expansion	Fund 425	0	0	0	0	750,000	3,000,000
Albritton Groves Ltd Prop Purc	Fund 425	500,000	0	0	0	0	0
Albritton Groves Ltd Prop Purc	Fund 425	7,950,000	0	0	0	0	0
New Garbage Carts (Cash Funding)	Fund 425	0	10,000,000	0	0	0	0
<i>Adjustment</i>		0	0	0	0	0	0
<b>Total</b>		\$23,572,091	\$18,080,616	\$9,298,503	\$4,893,242	\$750,000	\$3,000,000
External Resources (Debt, Grants, etc.)	<i>Choose:</i>						
CCSWDC Phase III Landfill Development & Construction	Existing Debt	0	0	0	0	0	0
CCSWDC Phase III Landfill Development & Construction	Existing Debt	742,930	742,930	0	0	0	0
Albritton Groves Ltd Prop Purc	New Debt 1	10,000,000	0	0	0	0	0
New Garbage Carts (Debt Funding)	New Debt 2	0	0	0	0	0	0
Placeholder 3	Existing Debt	0	0	0	0	0	0
<b>Total</b>		\$10,742,930	\$742,930	\$0	\$0	\$0	\$0
<b>Total Capital Improvement Program</b>		\$34,315,021	\$18,823,546	\$9,298,503	\$4,893,242	\$750,000	\$3,000,000
<b>Fund 425 - Ending Cash Balances</b>		\$14,200,496	\$11,373,084	\$3,471,558	\$113,815	\$1,378,591	\$396,163

**Table 4**  
**Combined Debt Service Coverage**

Description	Fiscal Year Ending September 30,					
	2024	2025	2026	2027	2028	2029
<u>Revenues</u>						
Tipping Fee Revenue (Fund 420)	\$28,337,651	\$29,060,530	\$30,263,785	\$31,466,262	\$32,667,070	\$33,882,641
Assessment Revenue (Fund 423)	36,168,127	42,603,640	48,132,226	49,671,507	51,196,780	52,742,923
Other Revenues	2,831,695	1,584,934	1,363,275	1,361,353	1,359,498	1,360,052
Gross Revenues	\$67,337,473	\$73,249,104	\$79,759,287	\$82,499,122	\$85,223,348	\$87,985,616
<u>Operating Expenses &amp; Required Transfers - Excluding Closure Fund Transfers</u>						
Fund 420	\$23,693,794	\$24,501,627	\$25,358,000	\$26,194,333	\$27,027,381	\$27,877,847
Fund 423	34,676,614	41,290,775	48,626,347	50,140,921	51,648,221	53,182,496
Total Operating Expenses	\$58,370,408	\$65,792,401	\$73,984,347	\$76,335,253	\$78,675,602	\$81,060,344
		12.7%	12.5%	3.2%	3.1%	3.0%
Net Revenues	\$8,967,065	\$7,456,703	\$5,774,940	\$6,163,869	\$6,547,746	\$6,925,272
Total Debt Service Requirements	\$2,338,309	\$3,181,605	\$3,181,240	\$3,179,293	\$3,180,763	\$3,180,543
All-in Debt Service Coverage	383%	234%	182%	194%	206%	218%
<u>Coverage with Closure Fund Transfers</u>						
Required Transfers to Closure Funds	\$1,496,683	\$1,499,181	\$1,507,164	\$1,515,308	\$1,523,614	\$1,532,086
Adjusted Net Revenues	\$7,470,382	\$5,957,522	\$4,267,776	\$4,648,561	\$5,024,132	\$5,393,186
Change in Debt Service Coverage	20%	25%	35%	33%	30%	28%
Adjusted All-in Debt Service Coverage	319%	187%	134%	146%	158%	170%