



STAFF REPORT

CITY OF GREEN COVE SPRINGS, FLORIDA

TO: City Council, Special Session **MEETING DATE:** March 31st 2026
FROM: Greg Bauer, Acting Public Works Director
SUBJECT: SOLID WASTE FUND – FY 2026–2027 RATE ANALYSIS AND RECOMMENDATION

BACKGROUND

The purpose of this report is to present the current financial condition of the Solid Waste Enterprise Fund, outline operational changes and challenges, and provide rate structure options with a staff recommendation for Fiscal Year 2026–2027.

The Solid Waste Enterprise Fund is currently operating with a negative fund balance and is the only enterprise fund within the City in this position. The Fiscal Year 2024 audit identified an unrestricted fund balance deficiency of (\$423,569). To maintain required debt coverage at the end of Fiscal Year 2024, the Solid Waste Fund borrowed \$54,628 from the General Fund which worsened the negative net position. The unrestricted fund balance at end of Fiscal Year 2025 is expected to be approximately a negative \$450,000, moving further into the red.

It should also be noted that, unlike the Electric, Water, and Wastewater Enterprise Funds, the Solid Waste Fund does not generate or transfer a Payment in Lieu of Taxes (PILOT) to the General Fund. While a PILOT has not historically been implemented for this fund, it remains a consideration as a City-owned enterprise operation.

The Solid Waste Fund has experienced significant financial pressure due to a combination of operational and capital-related issues. During Fiscal Year 2025, the City's refuse fleet experienced catastrophic equipment failures, resulting in substantial unplanned expenditures. These costs included the rental of a garbage truck and the rebuilding of a packing body, totaling approximately \$50,000, as well as the unplanned purchase of a replacement truck. Due to the lack of available reserves, the Solid Waste Fund borrowed \$48,674 from the Wastewater Fund to complete this purchase.

Additionally, anticipated revenue from the sale of a surplus recycling truck has not yet been realized for FY 26. The City's contracted surplus vendor, GovDeals, was unable to secure a sale at the budgeted price, with the highest bid received at \$7,500. Staff has engaged outside vendors to pursue alternative sales or consignment options; however, these efforts have not yet resulted in a successful transaction. Staff continues to evaluate options to recover value from this asset.

Repayment of the \$54,628 loan from the General Fund in FY 24 and the \$48,674 loan from the Wastewater Fund in FY 25 is currently scheduled for Fiscal Year 2026. However, if the anticipated \$50,000 in revenue from the recycling truck sale is not realized, repayment amounts may need to be adjusted. For purposes of projecting Fiscal Year 2027 expenditures, staff has conservatively assumed repayment of one-half of each loan.

Operating expenses have also increased due to the aging inventory of residential refuse carts. The majority of the City's 95-gallon carts were purchased between 2007 and 2012, with an expected service life of approximately 10 years. Staff deferred replacement until carts were no longer operational, resulting in many carts reaching the end of their useful life simultaneously and significantly increasing replacement costs.

In response to these challenges, staff implemented operational changes during Fiscal Year 2025–2026 to improve efficiency and reduce costs. The Solid Waste Department currently consists of seven employees, including six refuse drivers and one crew leader. Six employees work a schedule of Monday, Tuesday, Thursday, and Friday to support twice-weekly garbage collection and weekly yard waste removal. One employee works a Monday through Thursday schedule and is assigned to yard waste and bulky item collection.

During the COVID-19 pandemic, the City discontinued the manual collection of bulky items on regular routes. This policy has been continued to reduce the risk of employee injury and associated workers' compensation claims, which has been successful. Residents are required to schedule bulky item pickups through Public Works, which are conducted on Wednesdays. This operational adjustment, along with staffing changes following the discontinuation of the recycling program, has reduced overtime expenditures from approximately \$45,000 annually to \$5,000.

FISCAL IMPACT

Despite operational improvements, current revenue remains insufficient to support the cost of operations. The current residential rate is \$21.95 per month and the commercial rate is \$29.75 per month, both of which have remained unchanged over the past two years. The City currently serves 2,872 residential utility customers, 525 residential customers within special assessment areas, and 117 commercial hand pick-up customers. Total projected revenue for Fiscal Year 2025–2026 is \$936,538.80, which does not meet operating expenses.

Looking ahead, the Solid Waste Fund will benefit from the expiration of \$30,000 in annual debt service related to the 2021 refuse trucks in Fiscal Year 2026–2027. Additionally, approximately 100 new residential customers are expected from the Rookery development, providing additional revenue.

Staff evaluated several rate structure options for Fiscal Year 2026–2027. Maintaining the current rate of \$21.95 per month would result in only a minimal operating surplus of approximately \$27,000 for FY 27, with no PILOT contribution to the General Fund, and would not significantly reduce the existing negative fund balance of \$450,000.

A five percent rate increase would adjust the residential rate to \$23.05 per month and the commercial rate to \$31.24 per month. This represents an increase of \$1.10 per month, or \$13.20 annually, for residential customers, and \$1.50 per month, or \$17.88 annually, for commercial customers. This option is projected to generate approximately \$1,011,131 in revenue and would result in an estimated operating surplus of approximately \$75,000, with no PILOT to the General Fund.

A 10 percent increase would adjust the residential rate to approximately \$24.15 per month and the commercial rate to approximately \$32.73 per month. This represents an increase of approximately \$2.20 per month, or \$26.40 annually, for residential customers, and \$2.98 per month, or \$35.76 for commercial hand pick-up customers. This option is projected to generate approximately \$1,059,167 in revenue and would result in an estimated operating surplus of approximately \$123,000 with no PILOT to the General Fund.

An alternative option to reduce service to once-a-week garbage collection while maintaining the current rate would reduce personnel, fuel, and vehicle maintenance costs and result in an estimated operating surplus of approximately \$100,000 with no PILOT to the General Fund. However, this option would significantly reduce service levels and limit operational flexibility. Missed collections due to holidays or operational disruptions would require rescheduling and increased overtime, estimated at \$24,400 annually. Additionally, residents would no longer benefit from the current twice-weekly service, which allows for prompt collection following service interruptions.

The City currently provides a high level of service at a competitive rate compared to surrounding jurisdictions. The City is among the few providers offering twice-weekly garbage collection. For comparison, under the County's contracted service with FCC Environmental, residents would receive once-weekly collection with strict cart-only requirements and additional fees for excess waste. In many cases, residents would experience both reduced service levels and increased costs.

RECOMMENDATION

Staff recommends approval of a five percent rate increase for Fiscal Year 2026–2027. This option provides a balanced approach to addressing the current financial deficit while maintaining the level of service expected by residents and businesses. The modest increase of \$1.10 per month, for residential customers allows the Solid Waste Fund to begin reducing the negative fund balance without imposing a significant financial burden.

Staff will defer the planned purchase of a new refuse truck and will reevaluate capital needs during the Fiscal Year 2027–2028 budget cycle.

The Solid Waste Enterprise Fund requires corrective action to ensure long-term financial sustainability. The recommended rate adjustment represents a prudent and measured approach that supports continued high-quality service delivery while addressing the fund's structural deficit. Approval of this recommendation will position the City to stabilize the fund and plan for future operational and capital needs.

GL_ACCOUNT NUMBER	GL_ACCOUNT DESCRIPTION	FY2025 BUDGET
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SOLID WASTE UTILITY FUND- MODIFIED BASIS / ACTUAL VERSUS BUDGET - ANNUAL

	REVENUE		
404-3433610	INTEREST FSBA	\$	9,696.50
404-3434300	RESIDENTIAL FEES	\$	756,484.80
404-3434301	RESIDENTIAL FEES-SPECIAL ASS	\$	138,285.00
404-3434311	CONSTRUCTION DEBRIS	\$	5,400.00
404-3434400	DUMPSTER FEES	\$	1,647.00
404-3434500	FRANCHISE FEES	\$	117,797.00
404-3611000	INTEREST	\$	-
404-3651000	SALE OF SURPLUS	\$	-
404-3699200	MISCELLANEOUS INCOME	\$	2,000.00
404-3699300	MISCELLANEOUS-LATE FEES	\$	5,000.00
404-3849994	LOAN PROCEEDS	\$	385,000.00

	TOTAL REVENUE	\$	1,421,310.30
	EXPENDITURES		
	PERSONAL SERVICES		
404-3034-5001200	SALARIES	\$	372,956.70
404-3034-5001400	OVERTIME	\$	12,000.00
404-3034-5002100	FICA	\$	29,449.19
404-3034-5002200	RETIREMENT	\$	52,360.01
404-3034-5002205	RETIREMENT- CHANGE IN NPL (A	\$	-
404-3034-5002230	RETIREMENT - NATIONWIDE	\$	4,688.00
404-3034-5002300	LIFE/HEALTH INSURANCE	\$	81,773.50
404-3034-5002320	OPEB EXPENSE	\$	-
404-3034-5002400	WORKERS COMPENSATION	\$	36,938.00

	TOTAL PERSONAL SERVICES	\$	590,165.40
	OPERATING EXPENSES		
404-3034-5003100	PROFESSIONAL SERVICES	\$	4,582.00
404-3034-5003200	AUDITING	\$	2,625.00
404-3034-5003420	CONTAINER PICKUP FEES-SW	\$	13,000.00
404-3034-5003421	COMMERCIAL LANDFILL FEES-COU	\$	8,000.00
404-3034-5003422	TEMP LABOR	\$	-
404-3034-5004000	TRAVEL & PER DIEM	\$	-
404-3034-5004110	POSTAGE/FREIGHT	\$	250.00
404-3034-5004500	INSURANCE	\$	13,281.00
404-3034-5004620	VEHICLE MAINTENANCE	\$	50,000.00
404-3034-5004910	ADVERTISING	\$	500.00
404-3034-5005100	OFFICE SUPPLIES	\$	200.00
404-3034-5005200	OPERATING SUPPLIES	\$	48,000.00
404-3034-5005220	UNIFORMS	\$	1,050.00
404-3034-5005230	VEHICLE FUEL	\$	45,000.00
404-3034-5005401	WELLNESS MEMBERSHIP	\$	240.00
404-3034-5005402	SPECIAL ASSESSMENT FEES	\$	2,500.00
404-3034-5005403	EAP PROGRAM	\$	230.00
404-3034-5005410	PROFESSIONAL DEVELOPMENT	\$	400.00
404-3034-5008000	BAD DEBTS	\$	1,100.00

404-3034-5009990	COST RECOVERY	\$	70,000.00
404-3034-5009993	CUSTOMER SVC ALLOCATION	\$	90,414.70
404-3034-5005900	DEPRECIATION		
	TOTAL OPERATING EXPENSES	\$	351,372.70
	CAPITAL EXPENSES		
404-3034-5006431	VEHICLES	\$	385,000.00
	TOTAL CAPITAL EXPENSES	\$	385,000.00
	DEBT		
404-3034-5007100	PRINCIPAL ON DEBT	\$	54,297.40
404-3034-5007230	INTEREST ON DEBT	\$	2,879.00
	TOTAL DEBT	\$	57,176.40
	TRANSFERS		
	TOTAL TRANSFERS	\$	-
	TOTAL EXPENSES	\$	1,383,714.50
	NET AMOUNT	\$	37,595.80

FY2024 ACTUAL		FY2025 ACTUAL		FY2027 PROJECTIONS - TWICE PER WEEK			
				0% increase	5% increase	10% increase	
				\$ 21.95	\$ 23.05	\$ 24.15	
\$ 20,085.84	\$ 17,473.94	\$ 17,473.94	\$ 17,473.94	\$ 17,473.94	\$ 17,473.94	\$ 17,473.94	\$ 17,473.94
\$ 674,315.12	\$ 755,074.87	\$ 822,946.80	\$ 864,176.49	\$ 822,946.80	\$ 864,176.49	\$ 905,406.18	\$ 905,406.18
\$ 118,128.96	\$ 130,250.52	\$ 138,285.00	\$ 145,199.25	\$ 138,285.00	\$ 145,199.25	\$ 152,113.50	\$ 152,113.50
\$ 5,400.00	\$ 7,450.00	\$ 7,450.00	\$ 7,450.00	\$ 7,450.00	\$ 7,450.00	\$ 7,450.00	\$ 7,450.00
\$ 1,647.00	\$ 1,647.00	\$ 1,647.00	\$ 1,647.00	\$ 1,647.00	\$ 1,647.00	\$ 1,647.00	\$ 1,647.00
\$ 131,308.91	\$ 142,141.81	\$ 145,000.00	\$ 145,000.00	\$ 145,000.00	\$ 145,000.00	\$ 145,000.00	\$ 145,000.00
\$ 1,609.01	\$ 72.69	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 6,183.87		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 4,868.91	\$ 5,385.19	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00
\$ -							
\$ 963,547.62	\$ 1,059,496.02	\$ 1,138,902.74	\$ 1,187,046.68	\$ 1,138,902.74	\$ 1,187,046.68	\$ 1,235,190.62	\$ 1,235,190.62
\$ 348,752.64	\$ 392,459.00	\$ 392,459.00	\$ 392,459.00	\$ 392,459.00	\$ 392,459.00	\$ 392,459.00	\$ 392,459.00
\$ 28,806.68	\$ 42,912.57	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
\$ 32,723.63	\$ 30,208.83	\$ 30,208.83	\$ 30,208.83	\$ 30,208.83	\$ 30,208.83	\$ 30,208.83	\$ 30,208.83
\$ 49,901.34	\$ 49,423.88	\$ 49,423.88	\$ 49,423.88	\$ 49,423.88	\$ 49,423.88	\$ 49,423.88	\$ 49,423.88
\$ 10,444.13	\$ (6,703.05)						
\$ 4,711.51	\$ 5,055.67	\$ 5,055.67	\$ 5,055.67	\$ 5,055.67	\$ 5,055.67	\$ 5,055.67	\$ 5,055.67
\$ 100,138.13	\$ 101,045.00	\$ 101,045.00	\$ 101,045.00	\$ 101,045.00	\$ 101,045.00	\$ 101,045.00	\$ 101,045.00
\$ 1,731.53	\$ (14,924.46)						
\$ 34,687.20	\$ 36,197.52	\$ 36,197.52	\$ 36,197.52	\$ 36,197.52	\$ 36,197.52	\$ 36,197.52	\$ 36,197.52
	\$ 635,674.96	\$ 619,389.90	\$ 619,389.90	\$ 619,389.90	\$ 619,389.90	\$ 619,389.90	\$ 619,389.90
\$ 7,466.90	\$ 9,219.25	\$ 9,219.25	\$ 9,219.25	\$ 9,219.25	\$ 9,219.25	\$ 9,219.25	\$ 9,219.25
\$ 3,015.03	\$ 2,632.00	\$ 2,632.00	\$ 2,632.00	\$ 2,632.00	\$ 2,632.00	\$ 2,632.00	\$ 2,632.00
\$ 14,684.30	\$ 14,855.21	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
\$ 9,214.20	\$ 9,019.50	\$ 9,019.50	\$ 9,019.50	\$ 9,019.50	\$ 9,019.50	\$ 9,019.50	\$ 9,019.50
	\$ 273.00	\$ 273.00	\$ 273.00	\$ 273.00	\$ 273.00	\$ 273.00	\$ 273.00
	\$ 498.00	\$ 498.00	\$ 498.00	\$ 498.00	\$ 498.00	\$ 498.00	\$ 498.00
\$ -	\$ 31.40	\$ 31.40	\$ 31.40	\$ 31.40	\$ 31.40	\$ 31.40	\$ 31.40
\$ 12,648.92	\$ 13,820.08	\$ 13,820.08	\$ 13,820.08	\$ 13,820.08	\$ 13,820.08	\$ 13,820.08	\$ 13,820.08
\$ 63,263.71	\$ 89,547.86	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
\$ 2,796.51	\$ 283.50	\$ 283.50	\$ 283.50	\$ 283.50	\$ 283.50	\$ 283.50	\$ 283.50
\$ -	\$ 87.41	\$ 87.41	\$ 87.41	\$ 87.41	\$ 87.41	\$ 87.41	\$ 87.41
\$ 30,415.28	\$ 54,114.63	\$ 34,464.63	\$ 34,464.63	\$ 34,464.63	\$ 34,464.63	\$ 34,464.63	\$ 34,464.63
\$ 100.00	\$ 667.72	\$ 667.72	\$ 667.72	\$ 667.72	\$ 667.72	\$ 667.72	\$ 667.72
\$ 42,150.35	\$ 43,966.65	\$ 43,966.65	\$ 43,966.65	\$ 43,966.65	\$ 43,966.65	\$ 43,966.65	\$ 43,966.65
\$ -	\$ 130.00	\$ 130.00	\$ 130.00	\$ 130.00	\$ 130.00	\$ 130.00	\$ 130.00
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 239.16	\$ 242.08	\$ 242.08	\$ 242.08	\$ 242.08	\$ 242.08	\$ 242.08	\$ 242.08
\$ 250.00	\$ 327.03	\$ 327.03	\$ 327.03	\$ 327.03	\$ 327.03	\$ 327.03	\$ 327.03
\$ 249.14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

\$ 124,761.00	\$ 69,999.96	\$ 69,999.96	\$ 69,999.96	\$ 69,999.96
\$ 75,742.96	\$ 90,414.96	\$ 90,414.96	\$ 90,414.96	\$ 90,414.96
		\$ 91,000.00	\$ 91,000.00	\$ 91,000.00
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	\$ 400,130.24	\$ 432,077.17	\$ 432,077.17	\$ 432,077.17
\$ 203,438.77				
\$ -	\$ 76,103.86	\$ 51,651.00	\$ 51,651.00	\$ 51,651.00
\$ 3,990.64	\$ 4,953.72	\$ 9,167.00	\$ 9,167.00	\$ 9,167.00

	\$ 81,057.58	\$ 60,818.00	\$ 60,818.00	\$ 60,818.00

	\$ -			

	\$ 1,116,862.78	\$ 1,112,285.07	\$ 1,112,285.07	\$ 1,112,285.07

	\$ (57,366.76)	\$ 26,617.67	\$ 74,761.61	\$ 122,905.55

ONCE PER WEEK

0% increase	8% decrease
\$ 21.95	
\$ 17,473.94	\$ 17,473.94
\$ 822,946.80	\$ 761,865.78
\$ 138,285.00	\$ 128,041.67
\$ 7,450.00	\$ 7,450.00
\$ 1,647.00	\$ 1,647.00
\$ 145,000.00	\$ 145,000.00
\$ 100.00	\$ 100.00
\$ -	\$ -
\$ -	\$ -
\$ 6,000.00	\$ 6,000.00

EXISTING RATES

Residential*	\$ 21.95	2972	\$ 782,824.80
	\$ 21.95	525	\$ 138,285.00
Comm Hand	\$ 29.75	117	\$ 41,769.00
			\$ 962,878.80

PROPOSED RATES + 5%

Residential*	\$ 23.05	2972	\$ 821,966.04
	\$ 23.05	525	\$ 145,199.25
Comm Hand	\$ 31.24	117	\$ 43,857.45
			\$ 1,011,022.74

PROPOSED RATES + 10%

Residential*	\$ 24.15	2972	\$ 861,107.28
	\$ 24.15	525	\$ 152,113.50
Comm Hand	\$ 32.73	117	\$ 45,945.90
			\$ 1,059,166.68

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\$ 1,138,902.74	\$ 1,067,578.38
\$ 345,363.92	\$ 345,363.92
\$ 24,400.00	\$ 24,400.00
\$ 26,583.77	\$ 26,583.77
\$ 43,493.01	\$ 43,493.01
\$ -	\$ -
\$ 4,448.99	\$ 4,448.99
\$ 88,919.60	\$ 88,919.60
\$ -	\$ -
\$ 31,853.82	\$ 31,853.82
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\$ 565,063.11	\$ 565,063.11

8% RATE DECREASE

Residential*	\$ 20.32	2972	\$ 724,837.78
	\$ 20.32	525	\$ 128,041.67
	\$ 27.55	117	\$ 38,675.00
			\$ 891,554.44

* Add 100 new residential customers - Rookery

\$ 9,219.25	\$ 9,219.25
\$ 2,632.00	\$ 2,632.00
\$ 15,000.00	\$ 15,000.00
\$ 9,019.50	\$ 9,019.50
\$ 273.00	\$ 273.00
\$ 498.00	\$ 498.00
\$ 31.40	\$ 31.40
\$ 13,820.08	\$ 13,820.08
\$ 40,000.00	\$ 40,000.00
\$ 283.50	\$ 283.50
\$ 87.41	\$ 87.41
\$ 34,464.63	\$ 34,464.63
\$ 667.72	\$ 667.72
\$ 30,776.66	\$ 30,776.66
\$ 130.00	\$ 130.00
\$ -	\$ -
\$ 242.08	\$ 242.08
\$ 327.03	\$ 327.03
\$ -	\$ -

\$	69,999.96	\$	69,999.96
\$	90,414.96	\$	90,414.96
\$	91,000.00	\$	91,000.00
-----		-----	
\$	408,887.18	\$	408,887.18

\$	51,651.00	\$	51,651.00
\$	9,167.00	\$	9,167.00
\$	60,818.00	\$	60,818.00

\$	1,034,768.29	\$	1,034,768.29
\$	104,134.45	\$	32,810.10

COMPARATIVE ANALYSIS

A review of surrounding jurisdictions indicates the following monthly residential solid waste rates and service levels:

Town of Orange Park provides twice-weekly collection at a rate of \$32.00 per month.

City of Starke provides twice-weekly collection at a rate of \$25.00 per month.

Clay County provides once-weekly collection at a rate of \$22.00 per month.

City of Palatka provides once-weekly collection at a rate of \$30.00 per month.

St. Johns County provides once-weekly collection at a rate of \$27.98 per month.

City of Green Cove Springs currently provides twice-weekly collection at a rate of \$21.95 per month.

Under the proposed rate adjustment, the City's residential rate would increase to \$23.05 per month while continuing to provide twice-weekly collection service.

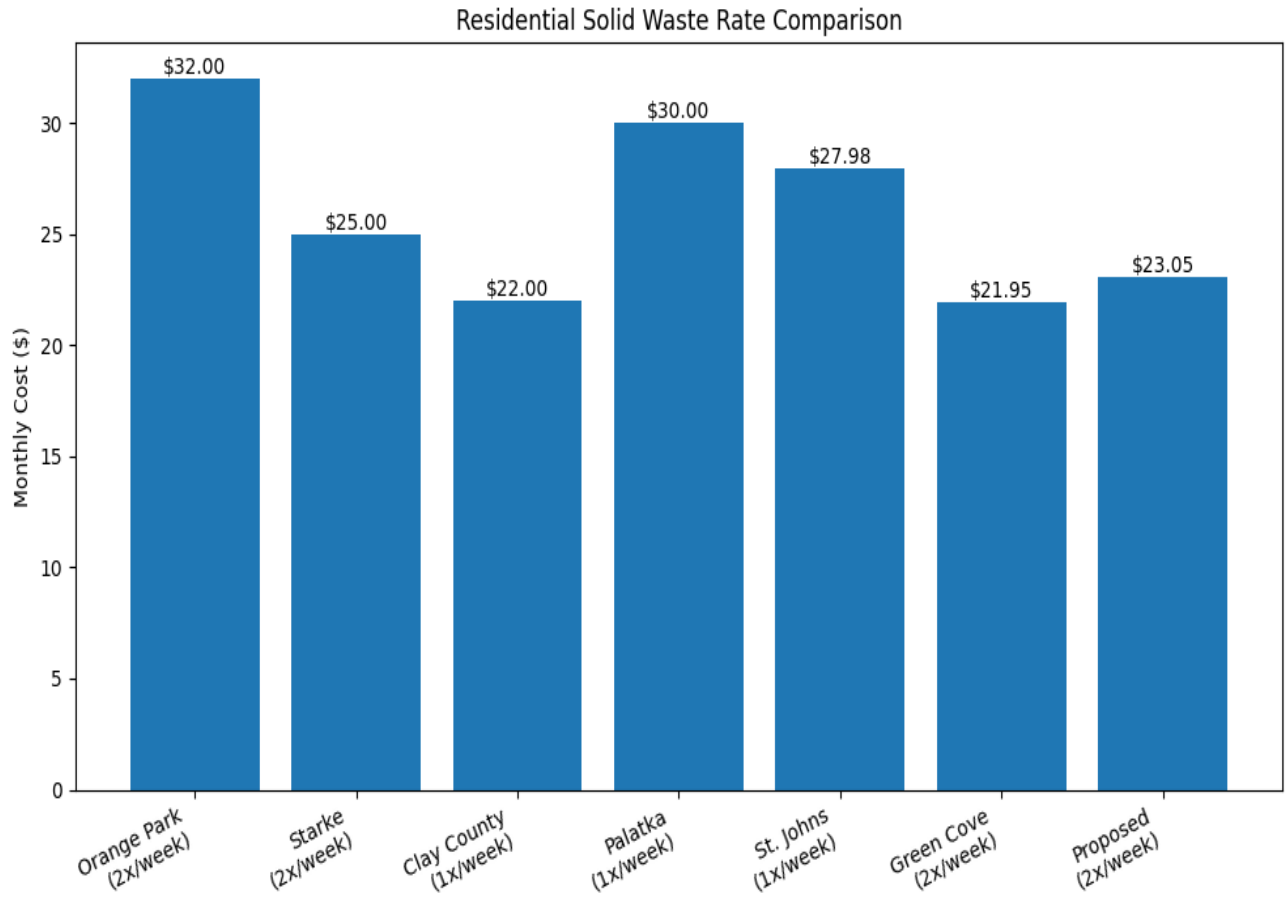
The comparison demonstrates that the City remains highly competitive in both cost and service level. While several jurisdictions charge higher monthly rates, many provide only once-weekly collection and impose additional restrictions, such as cart-only policies and fees for excess waste.

Even with the proposed increase to \$23.05 per month, the City would continue to offer a premium level of service at a rate lower than or comparable to surrounding providers. This positions the City favorably in terms of both affordability and service quality.

Maintaining twice-weekly collection provides significant value to residents, including increased convenience, improved sanitation, and operational flexibility during service disruptions such as holidays or inclement weather.

Staff recommends approval of the proposed residential rate increase to \$23.05 per month. This adjustment maintains the City's competitive position while supporting the financial sustainability of the Solid Waste Enterprise Fund.

The proposed rate continues to provide residents with a higher level of service than most surrounding jurisdictions at a modest cost, ensuring both fiscal responsibility and service reliability.





Item #2.

FY27 Solid Waste Fund: Overview and Recommendations

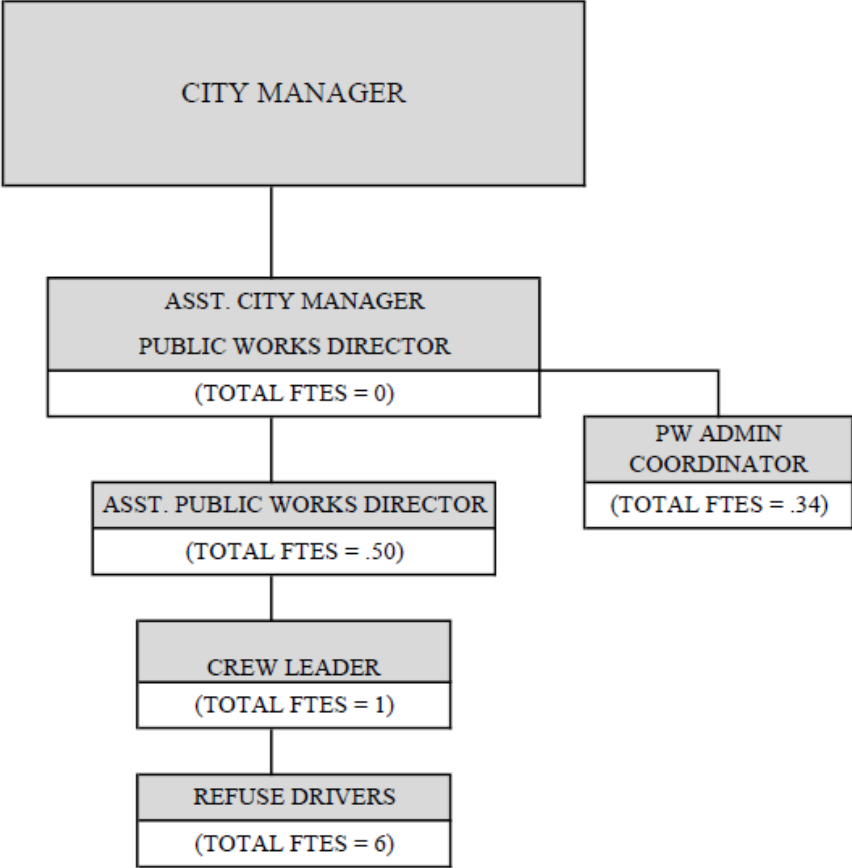
Greg Bauer
Public Works Director



City Council Special Session March 31, 2026

Solid Waste Organizational Chart

To provide the citizens of Green Cove Springs with superior, friendly, personalized solid waste collection services including recycling, yard trash, garbage, tires, white goods, and miscellaneous household items utilizing a combination of contract services and City crews.



Operations

Garbage Collection: Twice per week (M, T, Th, F)

Yard Waste Collection: Once per week (M, T, Th, F)

Bulky Item Collection: Every Wednesday

Fleet Overview:

- 3 Garbage Trucks
- 3 Claw Trucks
- 1 Single-Cab Pickup Truck

Additional Services:

- Delivery of new and replacement trash cans
- Repair and maintenance of trash cans

2025 Collection Totals:

- Garbage: 4,072.88 tons
- Yard Waste: 1,306.25 tons
- Bulky Items: 266.40 tons

Operational Changes (FY26)

- Recycling program eliminated, allowing staff to handle Wednesday bulky item collection during regular business hours.
- Overtime reduced from \$45,000 to \$5,000.
 - Changed one employee's work schedule
 - Reduced OT on Fridays due to no recycling
- Enhanced safety and lowered risk of injury.

Current Position

- **FY24 Audit Deficit:** (\$423,569)
- **Projected FY25 Audit Deficit:** (\$450,000)
- **Status:** Only enterprise fund currently operating with a negative fund balance. Also provides no profit (PILOT) to the general fund.
- **Current Debt:**
 - Garbage Trucks – \$250,000
 - To General Fund (From FY24) - \$54,628
 - To Wastewater Fund (From FY25) - \$48,674

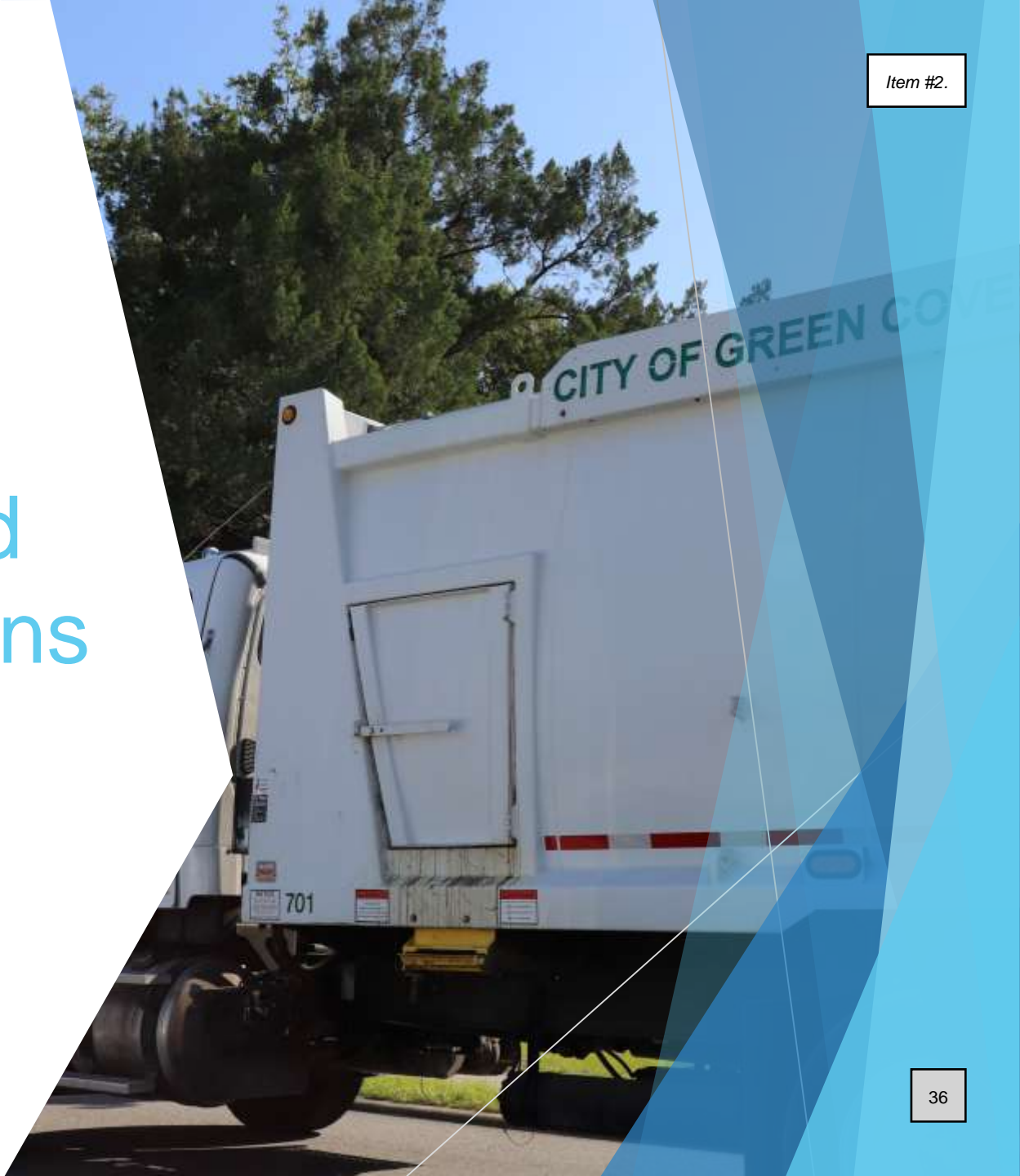
Deficit Drivers

- Fleet failures have increased operating costs.
- Planned recycling truck sale has not yet been realized.
- Aging trash cans require ongoing replacement.
- Revenue is not keeping pace with operating expenses.

Revenue Overview

- **FY26 Revenue: \$936,538.80**
- Revenue does not cover operating costs.

Proposed Rate Options



Option 1: No Rate Increase

- Rate remains at \$21.95
- Projected FY 27 surplus of approximately \$27,000
- No PILOT to General Fund
- Minimal impact on negative \$450,000 fund balance
- **Impact:** Financially unsustainable long term; Does not allow for capital investment

Option 2: 5% Rate Increase (Recommended)

- **Proposed Rate:** \$23.05 per month
- Projected FY 27 surplus of approximately \$75,000
- No PILOT to General Fund
- Minimal impact on negative \$450,000 fund balance while supporting capital investment
- **Impact:** Financially unsustainable long term

Option 3: 10% Rate Increase

- **Proposed Rate:** \$24.15 per month
- Projected FY 27 surplus of approximately \$123,000
- No PILOT to General Fund
- Marginal impact on negative \$450,000 fund balance while supporting capital investment
- **Impact:** Marginally sustainable long term

Option 4: Pickup Once-Per-Week

- **Service Frequency and Resident Impact**
 - Once-per-week collection
 - Reduced service level for residents
- **Financial Impact**
 - Generates an additional operating surplus of \$75,000 per year if no rate change
 - An 8% decrease to \$20.83 generates the same revenue as twice a week pick-up at the current rate of \$21.95
 - Lower fuel and operating costs
 - Increased overtime demand during holidays
- **Staffing**
 - Staffing reduced from 7 to 6 employees

Comparison to Nearby Cities

Community	Collection Frequency	Monthly Rate
Town of Orange Park	Twice per week	\$32.00
City of Starke	Twice per week	\$25.00
Clay County	Once per week	\$22.00
City of Palatka	Once per week	\$30.00
St. Johns County	Once per week	\$27.98
City of Green Cove Springs Current	Twice per week	\$21.95
City of Green Cove Springs Proposed	Twice per week	\$23.05

Recommendation



Staff Recommendation

- **Staff Recommendation:**
 - Approve Option #2 - 5% Increase
- **Impact:**
 - Minimizes impact on residents
 - Begins fund financial recovery while maintaining service levels
 - Financially unsustainable long-term
 - Future rate increases will be required
 - Maintains high level of service
 - Addresses structural deficit

Questions?
Thank you!

