

Environmental Services Fees Discussion

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Environmental Services Manager
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Environmental Services Overview

 Los Alamos Transfer Station – Open 7 days per week (excluding County holidays)

 Closed Landfill – NMED requires 30 years post closure care for the landfill

 Residential Collection Services ~7,250 households per week

 Commercial Collection Services ~460 trash dumpster services per week

 Overlook Convenience Center – Open 5 days per week

 Lemon Lot Recycle Center – Open 24/7

 18.22 Full Time Employees

 Environmental Sustainability Board & Zero Waste Team

 Enterprise Fund – Rates cover service (operate independently from general fund)

Challenges

- Increasing operational expenses
 - Hauling and tipping fees
 - Equipment maintenance, repair and replacement
 - Labor
- Fees are not covering the cost to provide service
- Depleting ending working capital and using environmental gross receipts tax (EGRT) to subsidize services

Environmental Services FY21 Operating Expenses Summary

FY21 Summary			
OPERATING EXPENSES	Cost	Revenue	Gain/Loss
Residential	\$2,350,842	\$2,313,083	(\$37,758)
Roll Off	\$42,265	\$69,518	\$27,253
Dumpsters	\$684,621	\$658,640	(\$25,982)
Transfer Station	\$1,091,072	\$639,757	(\$451,316)
Interest	\$0	\$87,997	\$87,997
Total	\$4,168,800	\$3,768,995	(\$399,805)

*Does not include loan or landfill expenses as they are covered by EGRT as opposed to rates.

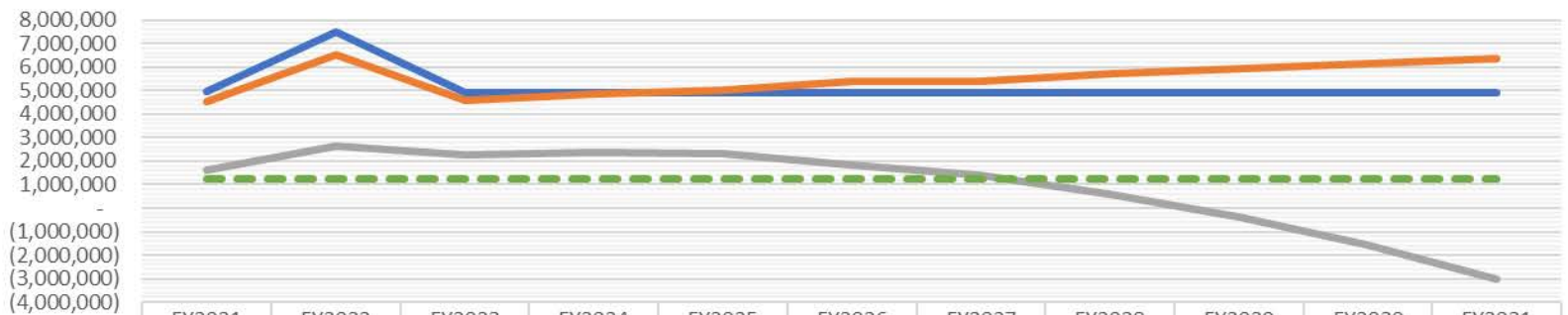
*Loan and Landfill annual expense is ~ \$397K

Projected Revenues and Expenses

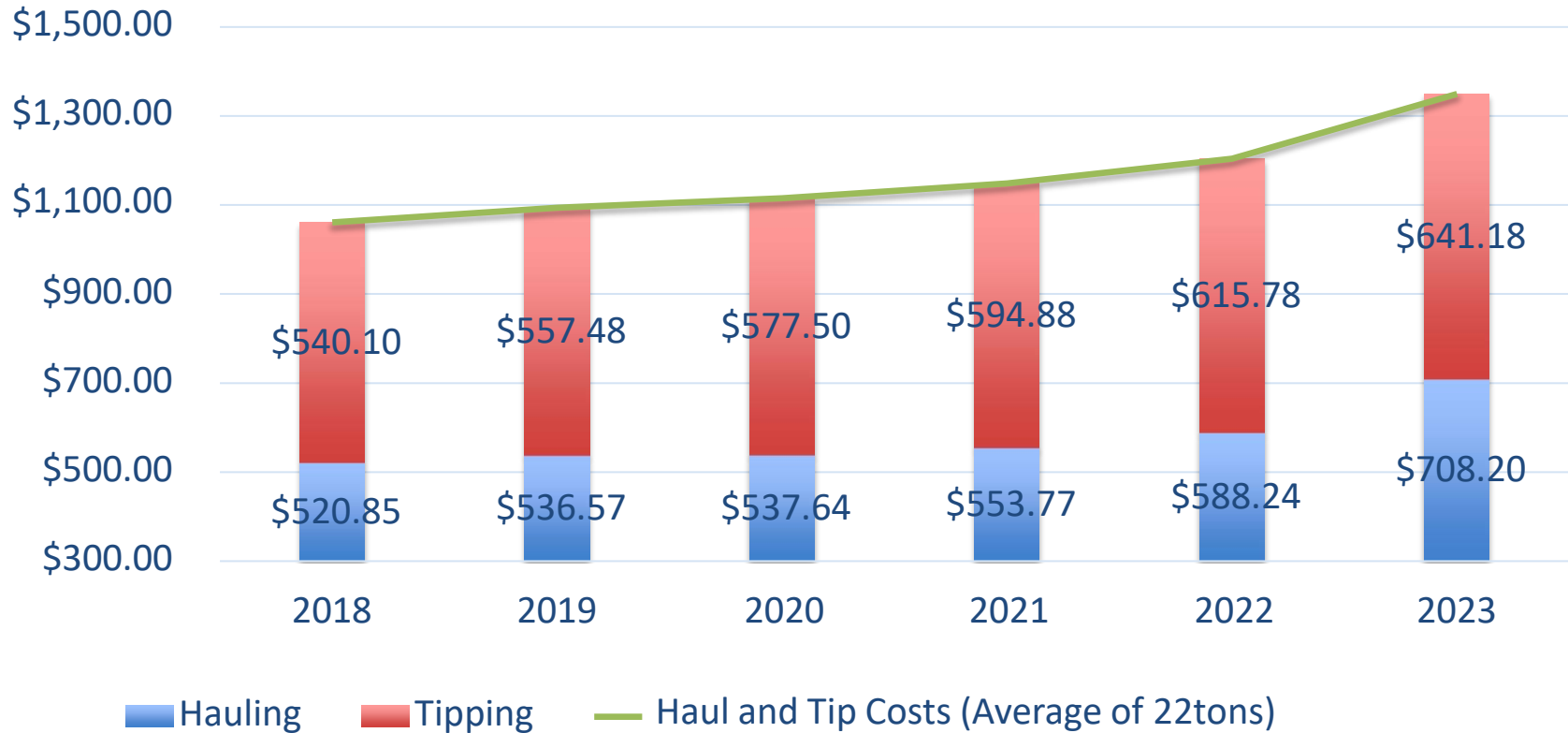
	FY2021 Actual	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected	FY2027 Projected	FY2028 Projected	FY2029 Projected	FY2030 Projected	FY2031 Projected
Beginning working capital	\$1,221,157	\$1,629,146	\$1,937,679	\$2,289,100	\$2,377,957	\$2,309,978	\$1,857,848	\$1,378,813	\$602,537	(\$379,018)	(\$1,574,338)
Revenues											
Gross receipts tax - special purpose	\$1,146,427	\$1,283,000	\$1,283,000	\$1,283,000	\$1,283,000	\$1,283,000	\$1,283,000	\$1,283,000	\$1,283,000	\$1,283,000	\$1,283,000
Residential	\$2,313,083	\$2,231,724	\$2,244,000	\$2,244,000	\$2,244,000	\$2,244,000	\$2,244,000	\$2,244,000	\$2,244,000	\$2,244,000	\$2,244,000
Commercial Dumpster	\$658,640	\$636,661	\$650,000	\$650,000	\$650,000	\$650,000	\$650,000	\$650,000	\$650,000	\$650,000	\$650,000
Roll Off	\$69,518	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Transfer station service	\$639,707	\$634,196	\$660,500	\$660,500	\$660,500	\$660,500	\$660,500	\$660,500	\$660,500	\$660,500	\$660,500
Interest Income	\$87,997	\$29,000	\$29,000	\$29,000	\$29,000	\$29,000	\$29,000	\$29,000	\$29,000	\$29,000	\$29,000
Total Revenue	\$4,915,372	\$4,874,581	\$4,926,500	\$4,926,500	\$4,926,500	\$4,926,500	\$4,926,500	\$4,926,500	\$4,926,500	\$4,926,500	\$4,926,500
Transfers From Other Funds	\$50,000	\$2,400,000									
State Grants	\$12,300	\$32,123									
Other Judgments/Settlements		\$210,078									
Expenses by Program											
Residential	\$2,350,842	\$2,119,214	\$2,254,918	\$2,417,534	\$2,517,257	\$2,621,094	\$2,729,214	\$2,841,794	\$2,959,018	\$3,081,077	\$3,208,172
Commercial dumpster	\$684,621	\$663,272	\$700,570	\$751,438	\$782,435	\$814,711	\$848,317	\$883,310	\$919,747	\$957,687	\$997,191
Roll Off	\$42,265	\$68,803	\$71,641	\$74,596	\$77,673	\$80,877	\$84,214	\$87,687	\$91,305	\$95,071	\$98,993
Transfer Station	\$812,759	\$830,078	\$870,379	\$915,430	\$953,000	\$992,000	\$1,033,000	\$1,076,000	\$1,120,000	\$1,166,000	\$1,214,000
Landfill Closure	\$45,753	\$68,873	\$72,000	\$75,000	\$78,000	\$81,000	\$84,000	\$87,000	\$91,000	\$95,000	\$99,000
Other One Time Expenses (From GRT)	\$278,313	\$2,426,379	\$278,587	\$276,660	\$259,129	\$461,963	\$299,805	\$400,000	\$400,000	\$400,000	\$418,058
Debt Services	\$326,985	\$326,985	\$326,985	\$326,985	\$326,985	\$326,985	\$326,985	\$326,985	\$326,985	\$326,985	\$326,985
Total Expenses	\$4,541,538	\$6,503,604	\$4,575,080	\$4,837,643	\$4,994,479	\$5,378,630	\$5,405,535	\$5,702,777	\$5,908,054	\$6,121,820	\$6,362,398
FY Gain/(Loss)	\$436,134	\$770,977	\$351,420	\$88,857	(\$67,979)	(\$452,130)	(\$479,035)	(\$776,277)	(\$981,554)	(\$1,195,320)	(\$1,435,898)
Non Budgeted Items	(\$28,145)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Other Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Working Capital	\$1,629,146	\$2,642,324	\$2,289,100	\$2,377,957	\$2,309,978	\$1,857,848	\$1,378,813	\$602,537	(\$379,018)	(\$1,574,338)	(\$3,010,236)

*Ending Working Capital should maintain 90 days of operating costs or \$1.25M

Revenue and Expenses All Services

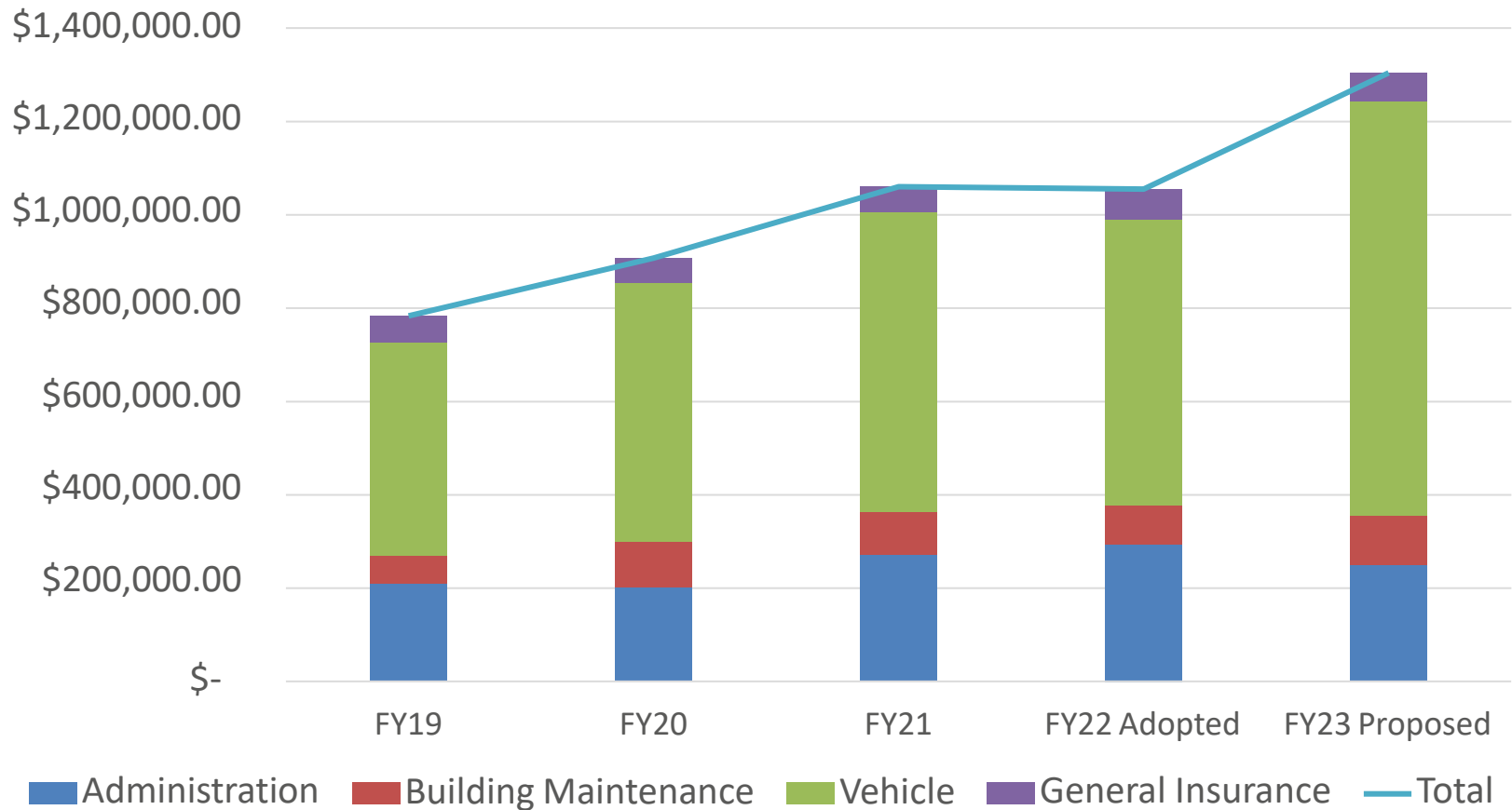


Haul and Tipping Costs Increase Average 3% per Year



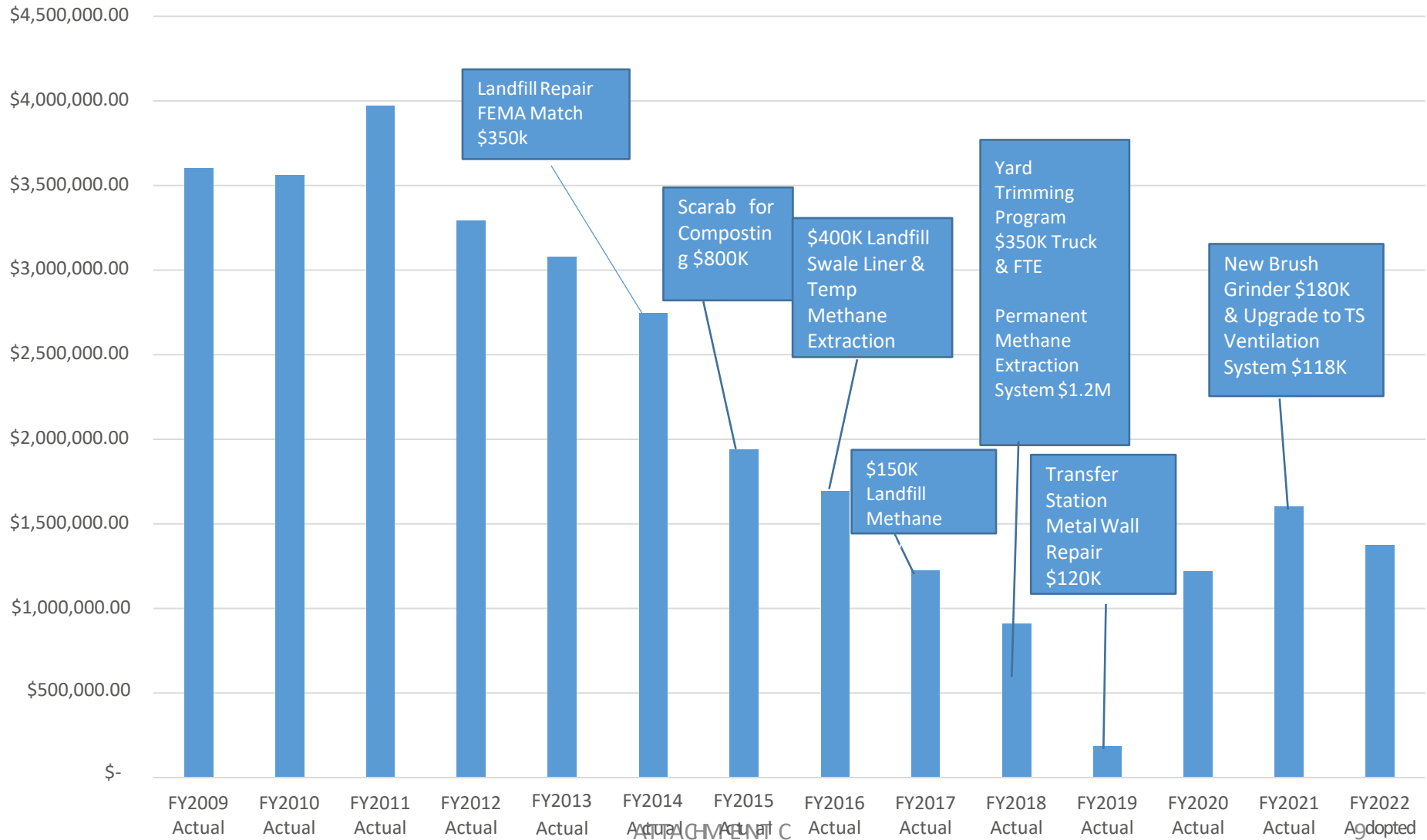
- FY22 to FY23 increase of 12%
- Current tip fee is \$26.74 haul fee is \$29.50 per ton = \$56.24/ton.
- Due to increasing fuel costs MCT has requested a fuel surcharge which will increase the current rate from \$27.99 to \$29.50 per ton. (9.4% increase)

Indirect Cost Increase Average 12% Per Year



*Indirect costs make up ~25% of total budget

History of Ending Work Capital

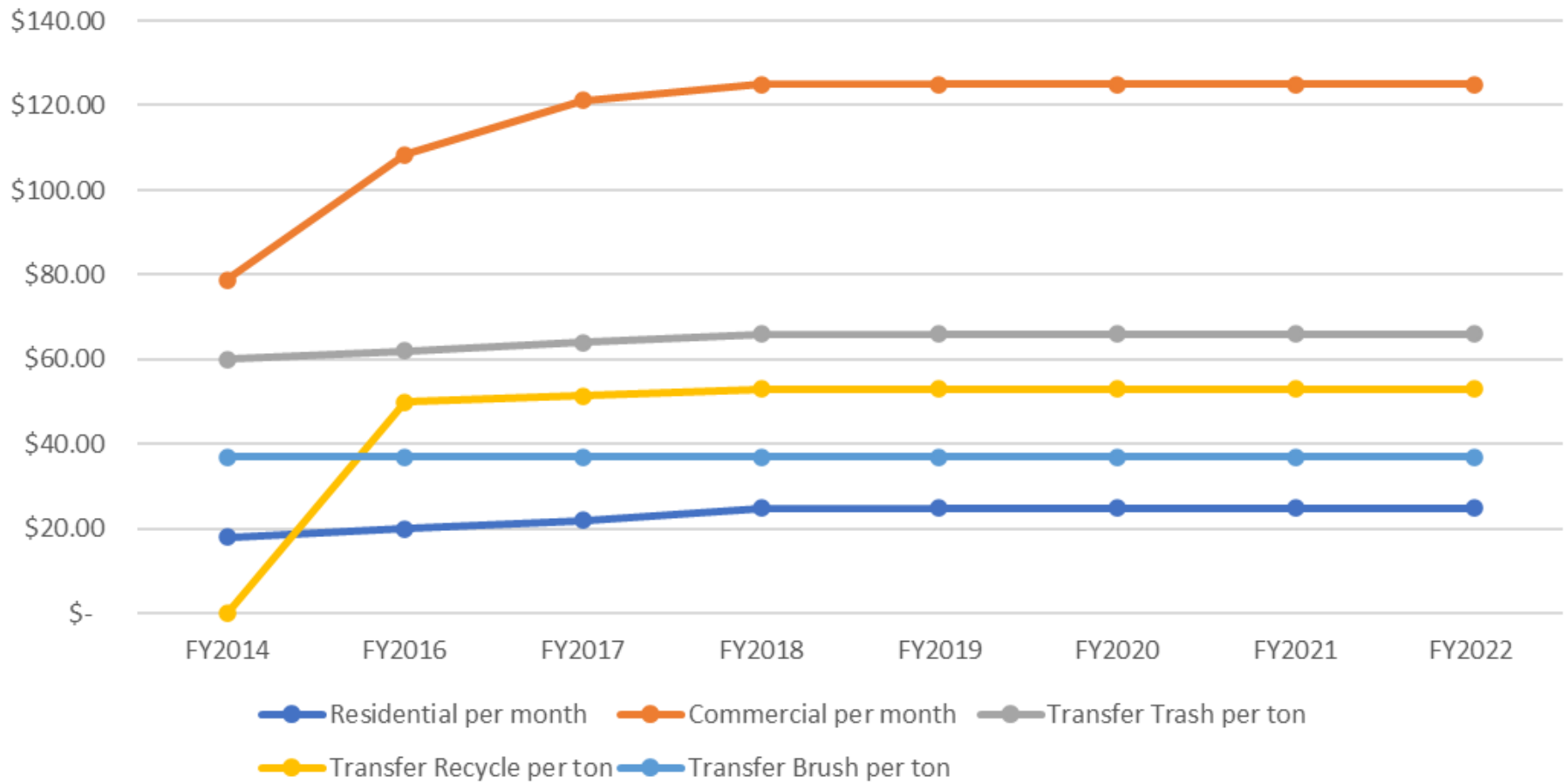


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History of Rate Changes

	FY2014	FY2016	FY2017	FY18 - Last Rate Increase
Residential per month	\$ 18.15	\$ 20.00	\$ 22.00	\$ 25.00
Commercial per month	\$ 78.81	\$ 108.36	\$ 121.22	\$ 125.00
Transfer Trash & Construction and Demolition per ton	\$ 60.00	\$ 62.00	\$ 64.00	\$ 66.00
Transfer Recycle per ton	0.00	\$ 50.00	\$ 51.50	\$ 53.00
Transfer Dirt per ton	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
Transfer Cardboard per ton	\$ -	\$ 50.00	\$ 51.50	\$ 53.00

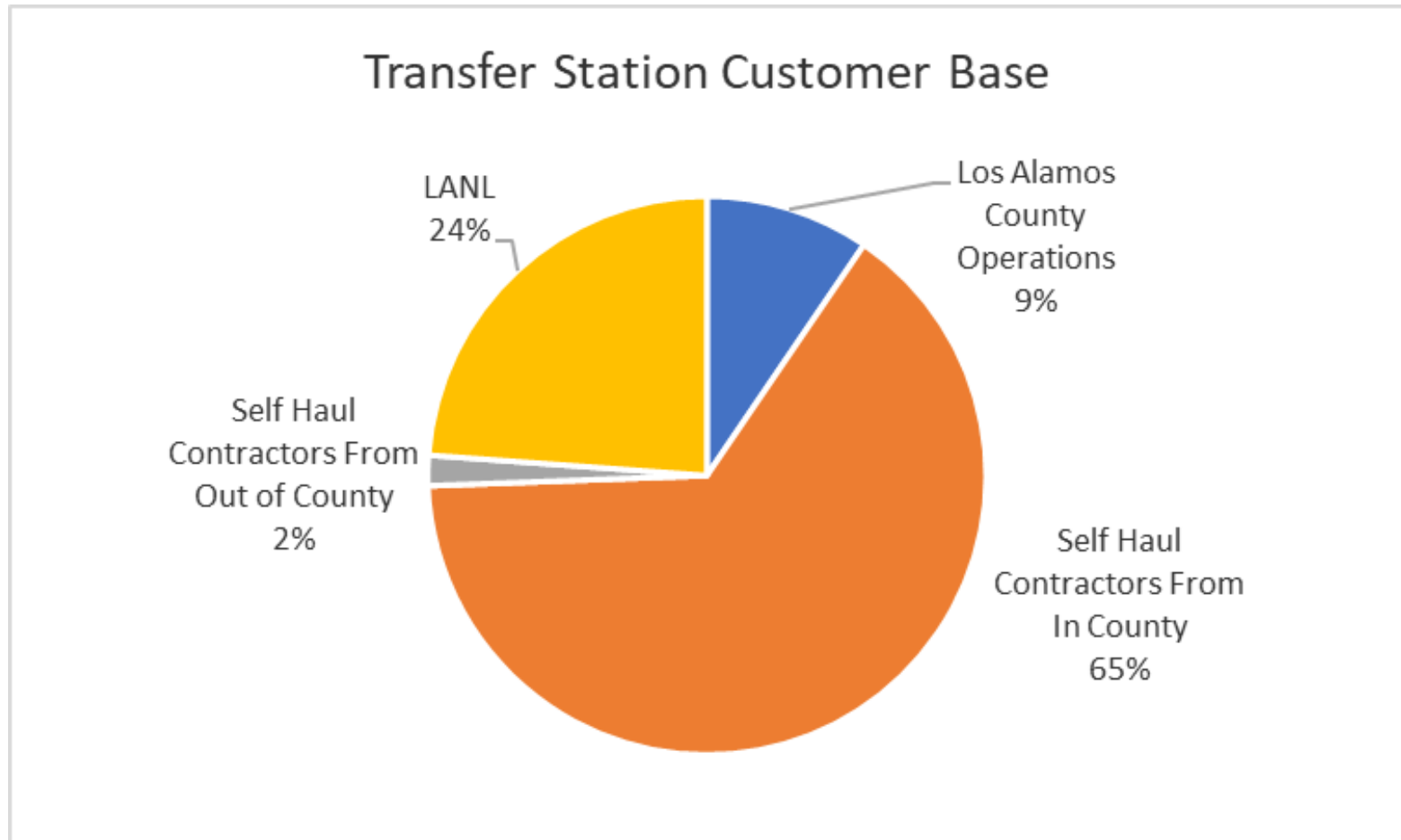
Rate Increase History





Transfer Station Services

Customer Base for Transfer Station



Transfer Station - Current

	FY 22 Projected		FY23 Projected		FY24 Projected		FY25 Projected		FY26 Projected		FY27 Projected	
	FY22 Rate	Revenue	FY23 Rate	Revenue	FY24 Rate	Revenue	FY25 Rate	Revenue	FY26 Rate	Revenue	FY27 Rate	Revenue
Asphalt & Concrete	\$5.00	\$71,956.10	\$5.00	\$0.00	\$5.00	\$71,956.10	\$5.00	\$71,956.10	\$5.00	\$71,956.10	\$5.00	\$71,956.10
Concrete with Rebar	\$5.00	\$17,989.00	\$5.00	\$0.00	\$5.00	\$17,989.00	\$5.00	\$17,989.00	\$5.00	\$17,989.00	\$5.00	\$17,989.00
Dirt	\$5.00	\$1,007.70	\$5.00	\$1,007.70	\$5.00	\$1,007.70	\$5.00	\$1,007.70	\$5.00	\$1,007.70	\$5.00	\$1,007.70
Brush/Pallets	\$37.00	\$42,942.04	\$37.00	\$42,943.68	\$37.00	\$42,943.68	\$37.00	\$42,943.68	\$37.00	\$42,943.68	\$37.00	\$42,943.68
Trash, Construction & Demolition	\$66.00	\$412,765.98	\$66.00	\$427,780.32	\$66.00	\$412,766.78	\$66.00	\$412,766.78	\$66.00	\$412,766.78	\$66.00	\$412,766.78
Cardboard	\$53.00	\$11,175.05	\$53.00	\$11,175.05	\$53.00	\$11,175.05	\$53.00	\$11,175.05	\$53.00	\$11,175.05	\$53.00	\$11,175.05
Mixed Recycle	\$53.00	\$16,967.95	\$53.00	\$16,968.48	\$53.00	\$16,968.48	\$53.00	\$16,968.48	\$53.00	\$16,968.48	\$53.00	\$16,968.48
Other		\$ 102,824.04		\$ 102,824.04		\$102,824.04		\$102,824.04		\$102,824.04		\$102,824.04
Revenue		\$677,627.86		\$602,699.27		\$677,630.83		\$677,630.83		\$677,630.83		\$677,630.83
Expense		\$830,077.60		\$870,378.63		\$915,430.00		\$953,000.00		\$992,000.00		\$1,033,000.00
Gain/(Loss)		(\$152,449.74)		(\$267,679.36)		(\$237,799.17)		(\$275,369.17)		(\$314,369.17)		(\$355,369.17)

- Revenues are based on tonnage by material type
 - Operational expenses remain regardless of amount of material received
 - Transfer Station is the most variable and unpredictable program area
 - Market fluctuations
 - Seasonal fluctuations

Transfer Station -Proposed Rate Increase

	FY22 Rate	FY 22 Projected Revenue	FY23 Rate	FY23 Projected Revenue	FY24 Rate	FY24 Projected Revenue	FY25 Rate	FY25 Projected Revenue	FY26 Rate	FY26 Projected Revenue	FY27 Rate	FY27 Projected Revenue
Asphalt & Concrete	\$5.00	\$ 71,956	\$10.00	\$0	\$10.00	\$71,956	\$10.30	\$74,115	\$10.61	\$76,338	\$10.93	\$78,628
Concrete with Rebar	\$5.00	\$ 17,989	\$20.00	\$0	\$20.00	\$35,978	\$20.60	\$37,057	\$21.22	\$38,169	\$21.85	\$39,314
Dirt	\$5.00	\$ 1,007	\$73.92	\$14,887	\$82.79	\$16,674	\$92.73	\$18,675	\$95.51	\$19,235	\$98.37	\$19,812
Brush/Pallets	\$37.00	\$ 42,943	\$37.00	\$42,943	\$38.11	\$44,231	\$39.25	\$45,558	\$40.43	\$46,925	\$41.64	\$48,333
Trash, Construction & Demolition	\$66.00	\$ 412,766	\$73.92	\$462,298	\$82.79	\$517,774	\$92.73	\$579,906	\$95.51	\$597,304	\$98.37	\$615,223
Cardboard	\$53.00	\$ 11,175	\$69.28	\$14,608	\$71.36	\$15,046	\$73.50	\$15,497	\$75.70	\$15,962	\$77.98	\$16,441
Mixed Recycle	\$53.00	\$ 16,968	\$128.34	\$41,088	\$132.19	\$42,321	\$136.16	\$43,590	\$140.24	\$44,898	\$144.45	\$46,245
Other		\$ 59,392		\$168,677		\$144,010		\$132,021		\$147,660		\$163,188
Revenue		\$ 634,196		\$744,501		\$887,989		\$946,420		\$986,491		\$1,027,184
Expense		\$ 830,078		\$870,379		\$915,430		\$953,000		\$992,000		\$1,033,000
Gain/(Loss)		\$ (195,882)		(\$125,878)		(\$27,441)		(\$6,580)		(\$5,509)		(\$5,816)

- FY23-FY25 – 12% increase for trash and construction & demolition, then 3% increase FY26-FY27
- FY23 increase rate to cover cost of service on all other materials (recycle, cardboard, dirt)
- Assumes 100% reduction in concrete and asphalt for FY23 resuming to 50% of current quantity in FY24



Residential Services

Residential Fees (Currently \$25/Month)

	FY23	FY24	FY25	FY26	FY27
Monthly Cost To Serve	\$25.64	\$27.21	\$28.03	\$28.87	\$29.74
Bear Cart Replacement (10% Carts replaced per year)	\$1.49	\$1.53	\$1.58	\$1.63	\$1.68
Food Composting	\$0.75	\$0.80	\$0.85	\$0.89	\$0.95
Proposed Monthly Rate	\$27.88	\$29.54	\$30.46	\$31.39	\$32.37

Residential Rate Increase History & Proposed Rate									
Service	FY15	FY16	FY17	FY18	FY23	FY24	FY25	FY26	FY27
Trash, Recycle Quarterly, HHW	\$18.15	\$20.00	\$22.00	\$25.00	\$27.88	\$29.54	\$30.46	\$31.39	\$32.37
Percent Increase		10%	10%	13.6%	11.5%	6%	3%	3%	3%



Commercial Dumpster Services

Commercial Dumpster Fees (Currently \$125/Month)

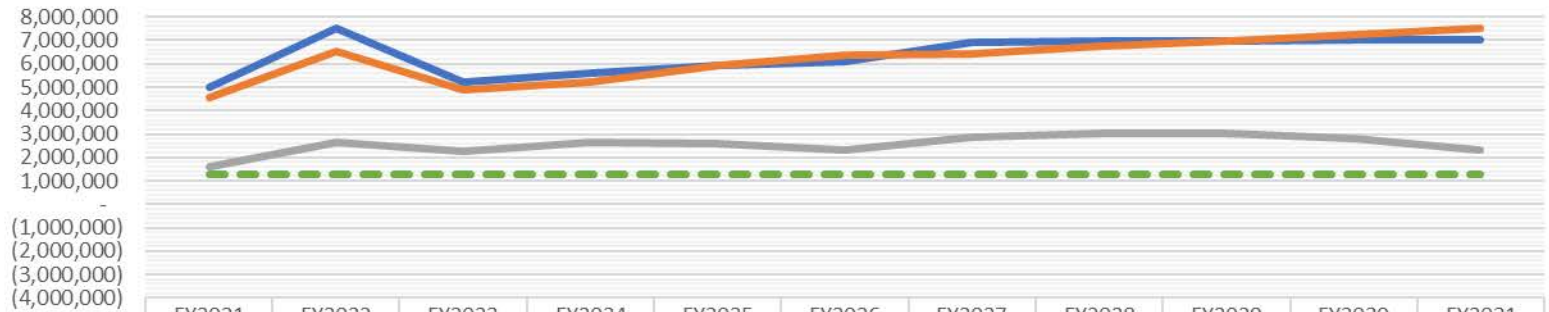
	FY23	FY24	FY25	FY26	FY27
Cost To Serve	\$125.56	\$133.31	\$137.31	\$141.43	\$145.67
Bear Dumpster Replacement	\$2.72	\$2.80	\$2.89	\$2.97	\$3.06
Food Composting	\$3.75	\$3.98	\$4.22	\$4.47	\$4.74
Proposed Rate	\$132.03	\$140.09	\$144.20	\$148.87	\$153.47

Commercial Rate Increase History & Proposed Rate									
Service	FY15	FY16	FY17	FY18	FY23	FY24	FY25	FY26	FY27
Trash, Recycle Quarterly, HHW	\$78.81	\$108.36	\$121.22	\$125.00	\$132.03	\$140.09	\$144.20	\$148.87	\$153.47
Percent Increase		37.5%	11.9%	3.1%	5.6%	6%	3%	3%	3%

ES Revenue and Expenses with Proposed Rate Increase

	FY2021 Actual	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected	FY2027 Projected	FY2028 Projected	FY2029 Projected	FY2030 Projected	FY2031 Projected
Beginning working capital	\$1,221,157	\$1,629,146	\$1,937,679	\$2,261,145	\$2,620,216	\$2,592,045	\$2,339,915	\$2,841,970	\$3,042,308	\$3,032,104	\$2,802,041
Revenues											
Gross receipts tax - special purpose	\$1,146,427	\$1,283,000	\$1,308,660	\$1,334,833	\$1,361,530	\$1,388,760	\$1,416,536	\$1,444,866	\$1,473,764	\$1,503,239	\$1,533,304
Residential	\$2,313,083	\$2,231,724	\$2,361,077	\$2,501,509	\$2,576,555	\$2,653,851	\$3,354,720	\$3,354,720	\$3,354,720	\$3,354,720	\$3,354,720
Commercial Dumpster	\$658,640	\$636,661	\$715,558	\$762,257	\$939,062	\$977,758	\$1,018,109	\$1,018,109	\$1,018,109	\$1,018,109	\$1,018,109
Roll Off	\$69,518	\$60,000	\$62,475	\$65,052	\$67,735	\$70,530	\$73,439	\$73,439	\$73,439	\$73,439	\$73,439
Transfer station service	\$639,707	\$634,196	\$744,501	\$887,989	\$946,420	\$986,491	\$1,027,184	\$1,027,184	\$1,027,184	\$1,027,184	\$1,027,184
Interest Income	\$87,997	\$29,000	\$29,000	\$29,000	\$29,000	\$29,000	\$29,000	\$29,000	\$29,000	\$29,000	\$29,000
Total Revenue	\$4,915,372	\$4,874,581	\$5,221,271	\$5,580,640	\$5,920,302	\$6,106,390	\$6,918,988	\$6,947,318	\$6,976,216	\$7,005,691	\$7,035,756
Transfers From Other Funds	\$50,000	\$2,400,000									
State Grants	\$12,300	\$32,123									
Other Judgments/Settlements		\$210,078									
Expenses by Program											
Residential	\$2,350,842	\$2,119,214	\$2,384,918	\$2,552,896	\$3,094,210	\$3,221,846	\$3,354,747	\$3,493,130	\$3,637,222	\$3,787,257	\$3,943,481
Commercial dumpster	\$684,621	\$663,272	\$715,570	\$762,257	\$939,036	\$977,771	\$1,018,104	\$1,060,101	\$1,103,830	\$1,149,363	\$1,196,774
Roll Off	\$42,265	\$68,803	\$71,641	\$74,596	\$77,673	\$80,877	\$84,214	\$87,687	\$91,305	\$95,071	\$98,993
Transfer Station	\$812,759	\$830,078	\$870,379	\$915,430	\$953,000	\$992,000	\$1,033,000	\$1,076,000	\$1,120,000	\$1,166,000	\$1,214,000
Landfill Closure	\$45,753	\$68,873	\$72,000	\$75,000	\$78,000	\$81,000	\$84,000	\$87,000	\$91,000	\$95,000	\$99,000
Other One Time Expenses (From GRT)	\$278,313	\$2,426,379	\$240,235	\$298,327	\$263,492	\$461,963	\$299,805	\$400,000	\$400,000	\$400,000	\$418,058
Debt Services	\$326,985	\$326,985	\$543,063	\$543,063	\$543,063	\$543,063	\$543,063	\$543,063	\$543,063	\$543,063	\$543,063
Total Expenses	\$4,541,538	\$6,503,604	\$4,897,806	\$5,221,569	\$5,948,474	\$6,358,520	\$6,416,932	\$6,746,981	\$6,986,419	\$7,235,754	\$7,513,369
FY Gain/(Loss)	\$436,134	\$770,977	\$323,465	\$359,071	(\$28,171)	(\$252,130)	\$502,055	\$200,337	(\$10,203)	(\$230,063)	(\$477,613)
Non Budgeted Items	(\$28,145)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Other Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Working Capital	\$1,629,146	\$2,642,324	\$2,261,145	\$2,620,216	\$2,592,045	\$2,339,915	\$2,841,970	\$3,042,308	\$3,032,104	\$2,802,041	\$2,324,428

Revenue and Expenses All Services with Proposed Fees



	FY2021 Actual	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected	FY2027 Projected	FY2028 Projected	FY2029 Projected	FY2030 Projected	FY2031 Projected
Revenue	4,977,672	7,516,782	5,221,271	5,580,640	5,920,302	6,106,390	6,918,988	6,947,318	6,976,216	7,005,691	7,035,756
Expenses	4,541,538	6,503,604	4,897,806	5,221,569	5,948,474	6,358,520	6,416,932	6,746,981	6,986,419	7,235,754	7,513,369
Ending Working Capital	1,629,146	2,642,324	2,261,145	2,620,216	2,592,045	2,339,915	2,841,970	3,042,308	3,032,104	2,802,041	2,324,428
Recommended EWC	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000

Staff Recommendations

- Maintain ending working capital balance and cover costs including new services such as bear carts and food composting
- Adopt rate increases for next 5 years to avoid yearly adjustments

Fee Adjustment Process

1. Formulate Fees
2. Work with Environmental Sustainability Board to gather public input and provide recommendation to Council.
3. Introduce ordinance and conduct public hearing at County Council Meeting
4. If rates are adopted, the ordinance becomes effective 30 days following approval