

Beyond Curbside Collection

Quantifying the Cost of
Services for Sanitation
Functions



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The Facts

Solid Waste Agencies Face:

- Economic uncertainty
- Regulatory requirements
- Ongoing capital costs
- Pressure to reduce/divert waste

These all put pressure on rates



Rate Making

Rates Should Be:

- Cost-based
- Equitable
- Legally defensible
- Easy to administer
- Stable

Rate Making Involves:

- Political pressure from key decision makers
- Scrutiny from customers who compare bills to nearby areas

And one more thing to consider...

Level of Service



Expected Functions

- Collection
- Disposal
- Recycling
- Landfill/Transfer Station Operations
- Household Hazardous Waste
- Bulk Collection
- Green Waste

The average customer expects that their rates pay for these functions

Less Expected Functions

- Illegal Dumping
- Special Events
- Education/Public Outreach
- Waste to Energy
- Post-Closure Costs
- Debris Management
- Public Spaces

**Improves level of service for residents but
may not be recognized by customers**

Overlap with Other Departments

- Animal Carcass Collection
- Street Sweeping
- Canal Cleaning
- Beach/Bus Shelter/Sidewalk Cleanup/Maintenance
- Code Enforcement
- City Lot Clearing/Mowing
- Tree Trimming

Functions often thought of as sewer or stormwater or parks and recreation

Why is Level of Service Important?

Services Vary Widely

- Small vs large agencies
- Franchise vs collection
- Landfill/transfer station operation
- May not include certain services in rates



Case Study City of Fort Lauderdale

Reason for Quantifying Costs of Services

- Franchised curbside collection
- Not all City residents are ratepayers
- Some sanitation functions available to all of City
- Annual transfer from General Fund meant to cover these additional functions



Case Study City of Fort Lauderdale

Cost of Service Analysis

- Identified 16 unique functions
- Quantified revenue/expense by function
- Basis for updating rates
- Justified transfer of franchise fees from General Fund

How Cost Allocation Works

- Identify functions performed
- Direct, indirect, staff input, weighted allocations
- Allocation of each budget line item
- Workflow allocation by FTE
- Compare revenue collected to costs incurred

Involves multiple meetings with management, supervisors, administrative staff, and key decision makers

The Conclusion

You can measure the cost of the services you provide

- Quantify each function comprising total rate
- Demonstrate to decision makers and ratepayers the costs to provide higher levels of service
- Justification for payments/cost allocations from General Fund/other funds

