



Hernando County

Solid Waste Utility

Financial Plan

July 8, 2025





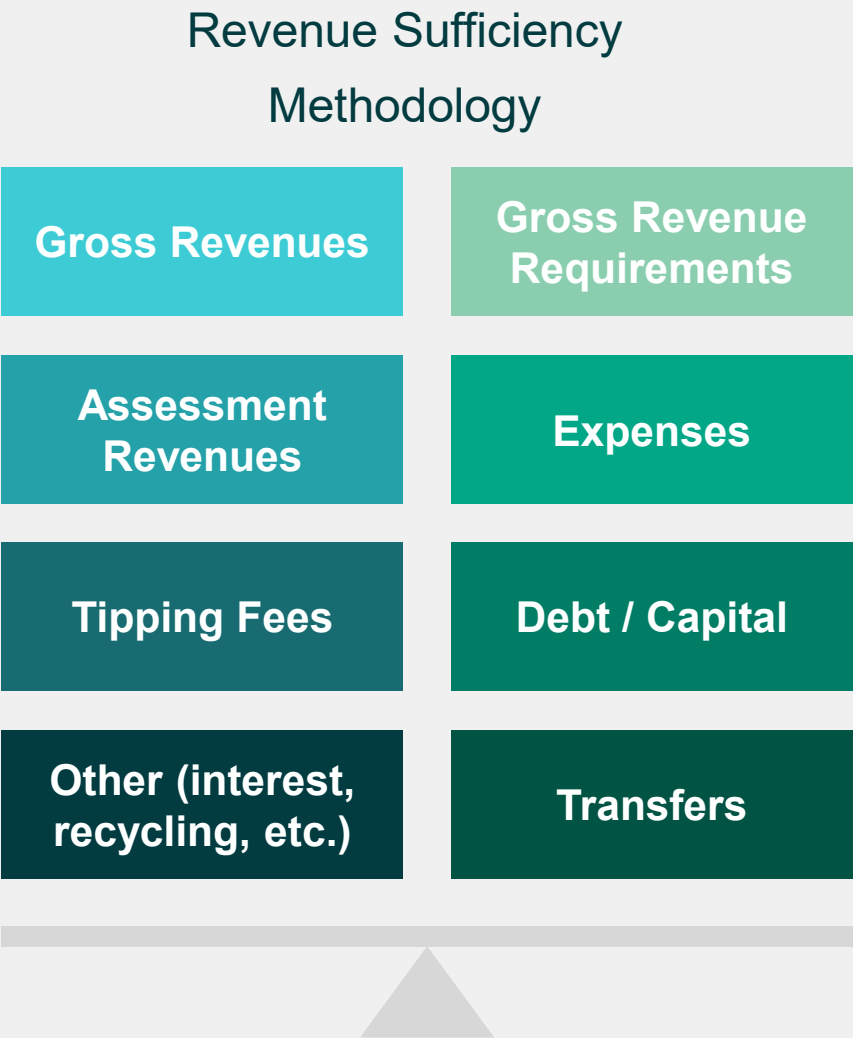
Agenda

1. Study Overview and Background
2. Collection
3. Disposal
4. Convenience Center Analysis
5. Results and Recommendations



1. Study Overview and Background

- Utilities Established as an **Enterprise Fund**:
 - › Operates “*like a business*” with Services Funded by User Fees
 - › Costs are recovered in proportion to the services provided
- Raftelis Tasked with Developing Financial Plan that:
 - › Supports County Mission and Utility Objectives
 - › Maintains Fiscal Sustainability and “Pay-Go” Funding
 - › Ensure Compliance with Financial Policies and Bond Covenants
- Data Driven Process
 - › Historical Billing Statistics
 - › Historical Financial Data
 - › Current Budget and Financial Plan
 - › Capital Improvement Plan
 - › Closure and LTC Documents
- Studies Performed Annually
 - › Last / FY24 Study Presented to BoCC July 9th, 2024



Existing Operations

County operates multiple facilities to provide disposal services for waste streams including C&D, Class I, yard waste, tires, recyclables, household hazardous waste, bulk items, etc.

85,200+

Residential disposal units

Includes single-family and multi-family units.

92,000+

Convenience center visits

County operates the East and West Convenience Centers for residential solid waste drop off. Customers are not charged for service at the centers and is paid through the annual disposal assessment.

200,000+

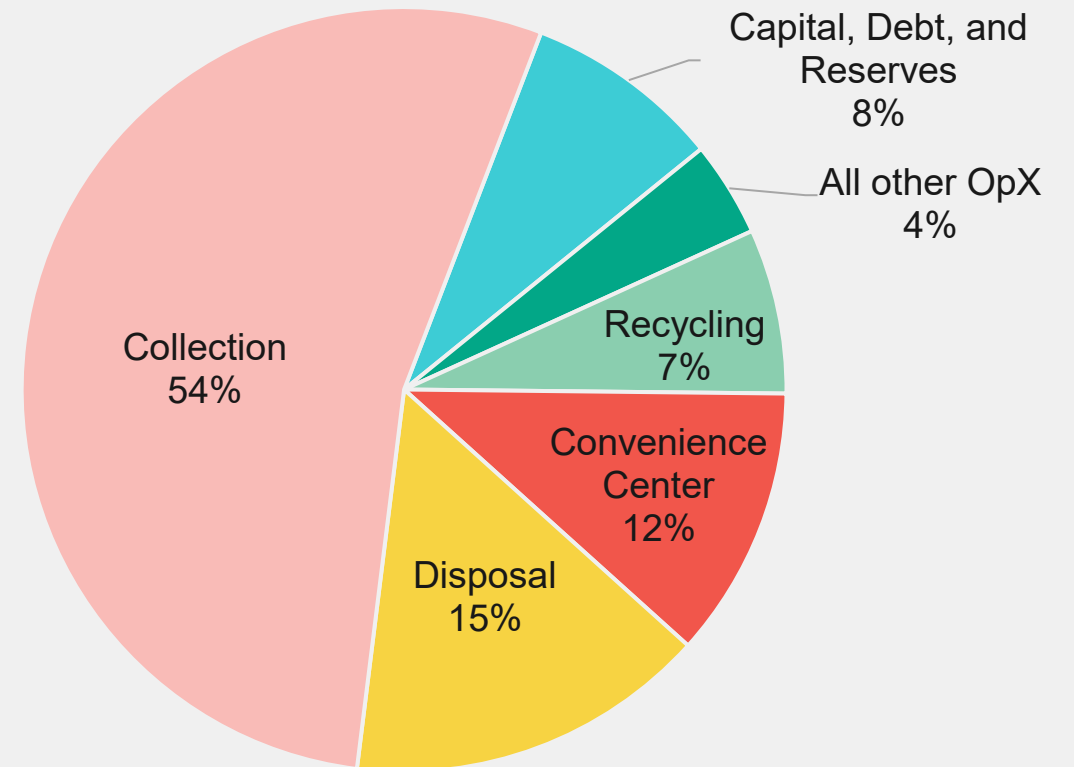
Tons received

Over 50% of waste received is attributable to residential customers.

1. Study Overview and Background (Cont.)

Residential Assessment Cost Breakdown for FY 2026

- FY25 Plan Key Funding Requirements
 - › Continued Inflation to Operating Cost
 - › Landfill Cell Expansion
 - › Hurricane Debris Reserve
 - Fully Funded by FY27



2. Financial Plan – Collection

- **Collection Costs:**

- County contracts for collection service
- New Costal Contract in FY26
 - 7 Years Contract
 - 3 Year Renewal
- Identified FY26 Rate Fully Funds New Costal Contract
 - Grossed Up For : Tax Collector (2%), Property Appraiser (3%), and Early Pre-Payment Discount (4%)

Description	2025	2026
Annual Assessment	\$202.56	\$217.37
Annual Change		\$14.81
Monthly Change		\$1.23

3. Financial Plan – Disposal

- Disposal Costs:
 - Inflation in Disposal Costs
 - Recycling Contract Increased in FY 2025
 - Increases in Equipment Leases
 - Composting Program to be operational in FY 2027
 - Funding Future Cell Construction

Description	2025	2026
Annual Assessment	\$98.04	\$101.23
Annual Change		\$3.19
Monthly Change		\$0.27
MSW/CND	\$60.50	\$62.47
Yard Waste	\$54.50	\$56.27

4. Convenience Centers Fee Analysis

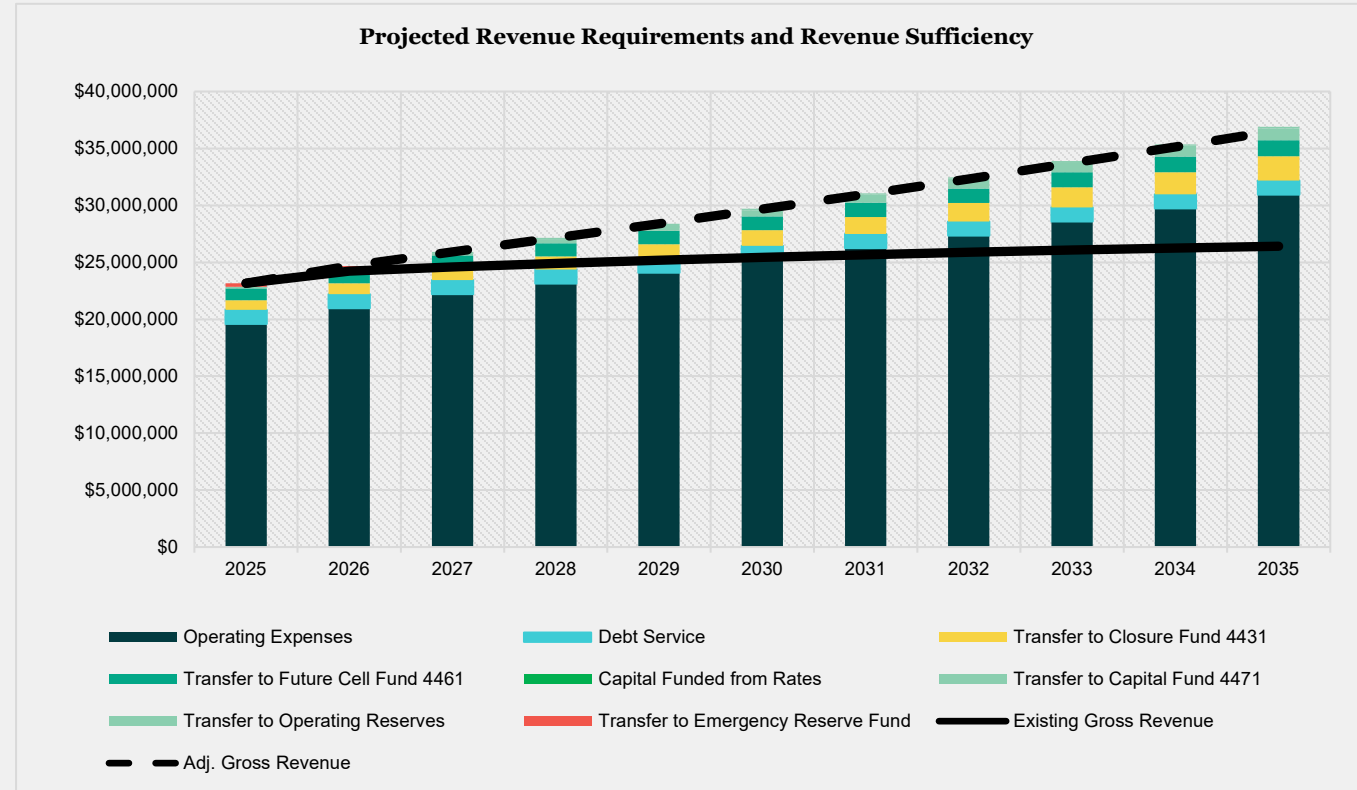
- Key Assumptions:

- Analyzed Historical Visits
 - Visits have been decreasing (due to new rules)
- Reviewed Tonnage
- Utilized Convenience Center Actual and Budget Operating Costs
- Did Not Assume Any Revenue From Convenience Center within Financial Forecast

Description	2024
Total Operating Costs	\$1,550,247
Total Est. Visits	<u>92,137</u>
Cost Per Visit	\$16.83
Recommend Fee	\$15.00

5. Results and Recommendations

- Consider Adopting Proposed Rates For the Fiscal Year 2026 to fund:
 - › Increased Operating Costs
 - › New Cell Construction & Other Capital Needs
 - › Fully Fund Closure Liability Over Remaining Useful Life of Landfill
 - › Storm Reserve Deposits
- County projected to meet minimum cash reserve targets



5. Results and Recommendations

- Recommend Adjusting FY26 Residential Assessments, Tipping Fees, and Convenience Center Trip Charge
- Reassess Need for Future Rate Increases in 12 months

Description	2025	2026
Collection Assessment	\$202.56	\$217.37
Annual Change		\$14.81
Monthly Change		\$1.23
Disposal Assessment	\$98.04	\$101.23
Annual Change		\$3.19
Monthly Change		\$0.27
MSW / C&D	\$60.50	\$62.47
Yard Waste	\$54.50	\$56.27
Convenience Center Trip	\$0.00	\$15.00

Q&A

Convenience Centers Fee Analysis – Revenue Sensitivity

FY24 Visits	92,137				
Percentage of Current Visits	50%	Percentage of Current Visits	75%	Percentage of Current Visits	100%
Assumed Visits	46,068	Assumed Visits	69,103	Assumed Visits	92,137
Rate Per Visit	\$15.00	Rate Per Visit	\$15.00	Rate Per Visit	\$15.00
Total Estimated Revenue	\$691,026	Total Estimated Revenue	\$1,036,539	Total Estimated Revenue	\$1,382,053
Rate Per Visit	\$10.00	Rate Per Visit	\$10.00	Rate Per Visit	\$10.00
Total Estimated Revenue	\$460,684	Total Estimated Revenue	\$691,026	Total Estimated Revenue	\$921,368
Rate Per Visit	\$5.00	Rate Per Visit	\$5.00	Rate Per Visit	\$5.00
Total Estimated Revenue	\$230,342	Total Estimated Revenue	\$345,513	Total Estimated Revenue	\$460,684

Convenience Centers Fee Analysis – Historical Visits

Line No.	Description	Fiscal Year Ending September 30,							
		2017	2018	2019	2020	2021	2022	2023	2024
West Convenience Center									
1	Tons Transported to Landfill [1]	4,677	4,459	4,241	4,922	5,727	7,630	5,193	3,116
2	Lbs per Ton	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
3	Lbs. Transported to Landfill	9,354,000	8,917,280	8,482,080	9,844,140	11,454,420	15,259,020	10,385,420	6,232,100
4	Assumed Lbs per Trip	61	62	64	69	83	119	93	98
5	Est. Annual # of Visits [2]	154,512	144,105	132,786	142,726	138,723	128,413	111,253	63,432
East Convenience Center									
6	Tons Transported to Landfill [1]	3,290	3,527	3,129	3,109	2,905	2,776	2,783	2,103
7	Lbs per Ton	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
8	Lbs. Transported to Landfill	6,580,000	7,054,300	6,257,380	6,217,700	5,810,500	5,551,040	5,566,180	4,205,820
9	Assumed Lbs per Trip	102	99	86	116	111	166	163	147
10	Est. Annual # of Visits [2]	64,216	71,548	72,469	53,438	52,546	33,531	34,060	28,705
11	Total Tons	7,967	7,986	7,370	8,031	8,632	10,405	7,976	5,219
12	Total Est. # of Visits	218,728	215,653	205,255	196,164	191,269	161,944	145,313	92,137
13	Total Operating Costs	\$ 1,018,272	\$ 1,164,476	\$ 1,407,781	\$ 1,392,973	\$ 1,402,648	\$ 1,437,231	\$ 1,463,162	\$ 1,550,247
14	Cost per Ton	\$127.81	\$145.82	\$191.02	\$173.45	\$162.49	\$138.13	\$183.45	\$297.04
15	Est. Cost per Visit	\$4.66	\$5.40	\$6.86	\$7.10	\$7.33	\$8.87	\$10.07	\$16.83