

Memorandum



Date: (Public Hearing: 9-6-23)
June 21, 2023

Agenda Item No. 5(G)

To: Honorable Chairman Oliver G. Gilbert, III
and Members, Board of County Commissioners

From: Daniella Levine Cava
Mayor *Daniella Levine Cava*

Subject: Ordinance Adopting and Ratifying Non-Ad Valorem Assessment Rolls, Rates and Assessments for Residential Solid Waste Collection Fees

Executive Summary

Due to multiple compounding pressures on the operating costs for the Department of Solid Waste Management (DSWM), outlined in this memo, the department will experience a shortfall of \$38.8M at the end of FY 2023-24. As a result, DSWM finds its Collections Operations fund in a deficit beginning October 1, 2023, which will result in the need for an increase in Collection fees. Although my administration continues to aggressively seek opportunities to reduce costs by accelerating our implementation of a Zero Waste Strategy, and is working to generate additional revenues by insourcing all County garbage collection within the next few years, the current deficit requires either an increase in fees or cuts to critical solid waste services.

Multiple factors have contributed to the continued increase in operating costs – including the sustained effects of the pandemic, which caused a significant shift in waste from commercial accounts to residential accounts; the sharp increase in costs of recycling as recycling globally shifted from being a revenue-generating operation to a service municipalities must now pay for – costs the County had previously been insulated from by a long-term recycling contract which only just expired early this year; and inflation, which resulted in dramatic increases to the cost of all goods and services purchased by Collections, including diesel fuel and heavy equipment.

Staff have worked hard to run several projections to find the lowest possible increase in Collection fees for homeowners. Although \$116 per household is needed to close the gap, in order to minimize the impacts to our residents, my administration instead recommends an increased annual amount of \$36 or \$3 per month to the County's current \$509 per household waste collection fee charged on the Tax Bill. This amount yields an additional \$12 million, which will be supported with a simultaneous transfer from the waste Disposal Fund of \$26.8 million, to be paid back in the future to continue to address long-range disposal master plan requirements. The Collections Fund will still require increases in the future to maintain its level of service. We urge the Board against further borrowing from the Disposal Fund as it diminishes the financial health of the Fund and will jeopardize our ability to bond future projects – including the replacement waste-to-energy facility, which is an urgent priority to ensure our community maintains our capacity to process waste.

A fee increase of \$3 per month will allow the department to continue providing the level of service that residents expect and deserve. This increased fee amount will be reflected in the FY 2023-24 Proposed Budget and the increase, due to the timing for advertisement and deadlines for the development of the final TRIM notice, must be adopted through this item.

Recommendation

It is recommended that the Board approve the attached Ordinance increasing the Residential Solid Waste Collection Fees (Collection Fee) for the DSWM Waste Collection Service Area (Service Area) in Exhibit A to fund current services for the units within the Service Area, in order to continue providing critical solid waste services to our residents. All units within this Service Area are unique due to the type of services being provided. The proposed assessments will increase customers' rates by 7.07 percent starting the Fiscal Year 2023-24. This will result in rate increases of \$9, \$14, \$24, \$28 or \$36, as reflected in Exhibit A, depending on the current rate and level of service. The DSWM has determined, and I concur, that the services provided by this Solid Waste Service Area will offer special benefits to properties within the district, exceeding the

amount of special assessment to be levied. Therefore, it is hereby recommended that the proposed rates being assessed in Exhibit A be approved and adopted.

Scope

The impact of the Collection Fee will be in unincorporated Miami-Dade County and within municipalities that are a part of the DSWM Service Area.

Fiscal Impact

The rate increase would be paid by the property owners and other customers within the Service Area. The proposed value of these increases is approximately \$12 million to support existing services.

Social Equity Statement

The proposed ordinance is not anticipated to have any measurable social equity benefit or burden because all Service Area customers will be impacted equally.

Delegation of Authority

This item authorizes the County Mayor or County Mayor's designee, contingent upon Board approval of non-ad valorem rates, to place the non-ad valorem assessments on the 2024 real property tax bills.

Background

DSWM uses a non-ad valorem fee to fund the bulk of its Collections Operation. The fee currently totals \$509 per household per year for the typical full-service household. Services funded through this fee include, but are not limited to, twice per week garbage collection, two bulky waste pickups per year, seven days per week access to all thirteen (13) neighborhood trash and recycling centers (TRC), Waste Code Enforcement, Bulky Collection, and every other week curbside recycling.

Since FY 1990-91, when the household fee was \$299, the Board has voted to increase the household fee by \$50 on three occasions, for FY 1991-92, FY 1992-93, and FY 2003-04. For FY 2006-07, the Board voted to increase the household fee by \$40. After a hiatus of ten years, the Board voted to increase the household fee by \$25 for FY 2017-18, \$6 of which was for new service and only \$19 of which was for existing service. Another \$20 increase was approved for FY 2019-20 and a \$25 increase in FY 2022-23, along with a one-time cash infusion from the Miami-Dade Rescue Plan. Had both of these most recent fee increases been \$50, the Collections Fund would have received an additional \$121.8 million through FY 2023-24, reducing the projected shortfall.

This shortfall was exacerbated by the newly approved and implemented recycling contracts that include a new processing fee for 60,000 tons and COVID-19 mandates to "stay safer at home." COVID-19 mandates created an average shift in waste of 79,000 tons annually (9.5 percent) from commercial accounts to residential accounts, increasing the disposal costs for the Collections operation. In addition, the inflation rate, typically projected at one percent, has seen recent annual values of 8.6 percent in 2022 and a projected 6.9 percent in 2023. This high inflation rate has dramatically increased the cost of all goods and services purchased by Collections, to include diesel fuel and heavy equipment.

Other Challenges

- Resources Recovery Facility (RRF) System & Comprehensive Development Master Plan (CDMP): DSWM determines compliance with the County's adopted level-of-service (LOS) requirement, which is a minimum of five years of solid waste disposal capacity based on the ability of the County Solid Waste Management System (System) to accommodate projected waste flows for concurrency, in accordance with Chapter 33G of the Miami-Dade County Code, Service Concurrency Management Program. DSWM currently meets the minimum LOS standard for solid waste disposal; the disposal capacity includes available capacity in County Landfills and contracted disposal capacity. The fire at the RRF significantly impacted the DSWM's remaining years of disposal capacity. This reduced disposal capacity affects the LOS

standard and may limit future development in Miami-Dade County.

Assessments are ongoing regarding the RRF to determine the next steps. Based on its Countywide significance to the System, a replacement modernized Waste-to-Energy Facility, currently estimated at \$1.2B, is desperately needed and will have a positive impact on the County's future development and solid waste disposal concurrency. Future bonds will have to be issued to cover the costs of a replacement facility. In order to issue future bonds, the financial stability of the Department is of the utmost importance.

County Landfill Capacity & Consequential Impacts: According to the July 2022 Landfill Capacity Report, the North Dade Landfill (NDL) is expected to reach capacity by 2026, barring any major weather events. A vertical landfill expansion i.e., increasing the height of the landfill (no increase to the acreage) will help the residents and commercial haulers in the northern region of the County. The South Dade Landfill (SDL) is also expected to reach capacity by 2030; the Department will in the future recommend a permit modification to increase its landfill disposal capacity. Landfills generate revenue for the Department, and the financial costs of allowing the two County-owned landfills to reach capacity and close is significant. The initial cost to close two County-owned landfills is estimated to be \$50 million (\$25 million per landfill). The County would lose more than \$50 million a year in revenues (\$17 million for NDL landfill and \$37 million for SDL) due to loss of tipping fees. The Department will also have to lay off more than 100 staff members and will have to incur costs for the long-term care of these closed landfills for at least 30 years.

- Contracted Disposal Capacity: The Department has contracted landfill capacity for 1.75 million tons with private waste companies, such as Waste Management and Waste Connections. Currently, as a result of the RRF fire, the Department is utilizing this capacity and concurrency contingency. The Department has very competitive disposal rates; however, both contracts are up for mutual agreed upon renewals within the next 12 years.

Most of the waste is currently being transported to the Okeechobee Landfill for disposal under the current disposal agreement with Waste Management. With the current closure of the RRF and limited County landfill capacity, the County is dependent on these private contracts. The County projects to spend over \$32 million annually for disposal of solid waste. Funds have been reallocated from the RRF processing fee contract to cover these contracted disposal costs.

- Departmental Financial Impacts: According to DSWM's analysis, the Department will not be able to meet debt service coverage to meet its current bond obligations beginning 2023/2024 if the Board does not approve the appropriate Collection fee increase to the annual household fee. Bond Ordinance 96-168 Section 602 requires the Department to adjust rates and charges for the use of the services and facilities in the waste system by increasing or decreasing the same or any selected categories of rates and charges, so as to provide Net Operating Revenues in each Fiscal year equal to one hundred and twenty percent (120%). The Disposal funds will also have a negative financial outlook in 2027, if the North Dade Landfill (NDL) expansion is not approved. The closure of the landfills will impact revenues and costs will have to be incurred for disposal using contracted landfill capacity. This will have detrimental impacts on the Department, where the Disposal Fund will no longer be able to subsidize the Collections Fund with loan payments. Both Funds will ultimately be financially bankrupt, unable to support the services they once provided. Not only will the Department be impacted, but our municipal and private partners will also be impacted by higher disposal charges.

This will negatively impact DSWM's future bond ratings and potentially increase the interest rate on any future loans associated with a replacement RRF, capital fleet, capital projects and

ultimately the solid waste fees charged to homeowners.

Service Reduction Options

The analysis of the fee increase proposal considered numerous potential service reductions, totaling \$38.1 million:

- Extended Recycling Contract (\$22.8M)
- Garbage: Reduce garbage service to once per week (\$7M; 24 months to implement)
- Cut newly approved illegal dumping (4) crews (\$2.5M)
- TRC #1: Reduce operating days at nine (9) trash and recycling centers (\$1.8M)
- TRC #2: Close four (4) trash and recycling centers (\$1.2M)
- Litter: Eliminate litter collection (\$1.3M)
- Code Enforcement: Eliminate ten (10) Waste Enforcement Officers (\$975,000)
- Community Service Program (\$200,000)
- Holiday Tree Recycling (\$275,000)

Unfortunately, given the projected deficit of \$38.8 million, implementation of these \$38.1 million reductions would still leave a deficit of \$750,000, which would still require a one-time fee increase of \$2. In addition, making these cuts would dramatically affect the quality of service, including scaling back significantly on the monitoring of illegal dumping and reduction in garbage pick-up to once per week. Drastically reducing services while still requiring a fee increase is not in the best interest of our residents. For these reasons, I am recommending a \$36 annual fee adjustment or a \$3 per month increase for FY 2023-24, in order to maintain the level of service that our residents expect from DSWM.

In order for the recommended non-ad valorem assessment to be included in the TRIM notice that is mailed to all property owners in August, the assessment must be submitted to the Property Appraiser's Office by July 21, 2023. In addition, the Board is required to adopt its non-ad valorem assessment roll at a public hearing held between January 1st and September 25th. In accordance with Section 197.3632 of the Florida Statutes, the County is required to publicly notice the public hearing considering the adoption of the new non-ad valorem assessment rolls, which includes notice by first-class mail to each person owning property subject to the assessment, and publication in a newspaper generally circulated within Miami-Dade County.

At least twenty (20) days before the public hearing, all property owners within the Service Area will receive notice by first-class mail with the following information:

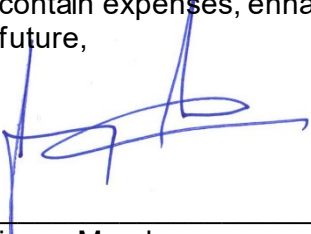
- Purpose of the assessment.
- Total amount to be levied against each parcel.
- Unit of measurement to be applied against each parcel to determine the assessment.
- Number of such units contained within each parcel.
- Total revenue the local government will collect by the assessment.
- A statement that failure to pay the assessment will cause a tax certificate to be issued against the property, which may result in a loss of title.
- A statement that all affected property owners have a right to appear at the hearing and to file written objections with the local governing board within 20 days of the notice.
- Date, time, and place of the hearing.

The published notice shall contain the following information:

- Name of the local governing board;
- Geographic depiction of the property subject to the assessment;
- Proposed schedule of the assessment;
- The fact that the assessment will be collected by the tax collector; and
- A statement that all affected property owners have a right to appear at the hearing and file written objections with the local governing board within twenty (20) days of the notice.

Honorable Chairman Oliver G. Gilbert, III
and Members, Board of County Commissioners
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The Administration remains committed to providing the high level of service that our residents expect and deserve, while keeping costs as low as possible. At the same time we continue to seek new approaches to contain expenses, enhance efficiency, remain competitive, and accelerate progress toward a zero-waste future,

A handwritten signature in blue ink, appearing to be 'Jimmy Morales', written over a horizontal line.

Jimmy Morales
Chief Operations Officer

EXHIBIT A
 Miami-Dade County
 Summary of Folios, Units, and Rates in Solid Waste Collection Service Area

CALCULATION FOR YEAR 2024								
DISTRICT	DISTRICT DESCRIPTION	NUMBER OF FOLIOS	NUMBER OF UNITS (PER HOUSEHOLD OR PER LIVING UNIT FOR MULTIFAMILY)	CURRENT RATE	VALUE	PROPOSED FEE INCREASE	PROPOSED RATE	PROPOSED VALUE
T0004	GARB, TRASH, TRC, RECYCLE	335,837	344,941	\$ 509	\$ 175,574,969	\$ 36	\$ 545	\$ 187,992,845
T0013	GARBAGE & RECYCLING	766	3,210	\$ 204	\$ 654,840	\$ 14	\$ 218	\$ 701,160
T0034	DUMPSTER-GARB, TRASH, TRC	5,434	5,480	\$ 393	\$ 2,146,959	\$ 28	\$ 421	\$ 2,305,984
T0041	TRASH & RECYCLING CENTER	1,155	1,167	\$ 129	\$ 150,543	\$ 9	\$ 138	\$ 161,198
T0049	MULTI CASES FAMILY	53	99	\$ 509	\$ 50,391	\$ 36	\$ 545	\$ 53,955
T0057	GARBAGE/RECYCLING & TRC	108	108	\$ 333	\$ 35,964	\$ 24	\$ 357	\$ 38,508
	TOTAL	343,353	355,005		\$ 178,613,666			\$ 191,253,650



MEMORANDUM
(Revised)

TO: Honorable Chairman Oliver G. Gilbert, III
and Members, Board of County Commissioners

DATE: September 6, 2023

FROM: 
Gen Bonzon-Keenan
County Attorney

SUBJECT: Agenda Item No. 5(G)

Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Statement of social equity required
- Ordinance creating a new board requires detailed County Mayor's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's present ____, 2/3 membership ____, 3/5's ____, unanimous ____, CDMP 7 vote requirement per 2-116.1(3)(h) or (4)(c) ____, CDMP 2/3 vote requirement per 2-116.1(3)(h) or (4)(c) ____, or CDMP 9 vote requirement per 2-116.1(4)(c)(2) ____) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 5(G)
9-6-23

ORDINANCE NO. _____

ORDINANCE APPROVING, ADOPTING, AND RATIFYING
NON-AD VALOREM ASSESSMENT ROLLS, RATES, AND
ASSESSMENTS FOR THE SOLID WASTE COLLECTION
SERVICE AREA OF MIAMI-DADE COUNTY, FLORIDA,
COMMENCING OCTOBER 1, 2023; PROVIDING
SEVERABILITY, EXCLUSION FROM THE CODE, AND AN
EFFECTIVE DATE

WHEREAS, as provided in chapter 15 of the Code of Miami-Dade County (“Code”), the County provides solid waste services, including the collection, disposal, and recycling of household garbage, trash, and bulky waste, within the Solid Waste Collection Service Area in Miami-Dade County, Florida; and

WHEREAS, Implementing Order 4-68 provides that special assessments in the Solid Waste Collection Service Area should be levied on a per household unit basis for residential customers and on a per-unit basis for commercial and multi-family customers; and

WHEREAS, the benefits provided by these special assessments to the affected properties include, but are not limited to, the availability of facilities to properly and safely dispose of solid waste, the long term monitoring of the facilities, a potential increase in value to the affected properties, better service to owners and tenants, and the enhancement of environmentally responsible use and enjoyment of such properties; and

WHEREAS, the County Mayor or County Mayor’s designee caused rates to be prepared and filed with the Clerk of the Board of County Commissioners and pursuant to notice published and mailed to all property owners within the Solid Waste Collection Service Area, this Board held

a public hearing on this date upon the rate submitted by the County Mayor or County Mayor's designee, and all interested persons were afforded the opportunity to present their objections, if any, with respect to their assessments of such rate; and

WHEREAS, after due consideration, this Board found and determined that the assessments shown on the assessment rolls were in proportion to the special benefits accruing to the respective parcels of real property appearing on said assessment rolls; and

WHEREAS, each property owner was notified that the special assessments, when finally approved and confirmed pursuant to Section 15-28 of the Code of Miami-Dade County, Florida, will be placed on the November 2023, and subsequent real property tax bills and that, if these special assessments are not paid when due, the properties on which the special assessments are levied will be respectively subject to the same collection procedures as for ad valorem taxes, including possible loss of title,

BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA:

Section 1. This Board hereby adopts and incorporates the facts contained in the accompanying memorandum and the foregoing recitals as if stated herein.

Section 2. This Board intends to use the uniform method of collection of non-ad valorem assessments as authorized in Section 197.3632, Florida Statutes, as amended, for collecting the non-ad valorem assessments levied within Miami-Dade County for the Solid Waste Collection Service Area, including, but not limited to, collection, recycling, and disposal of solid waste. Legal descriptions of such areas to the assessments, units of measurement, and the amount of the assessment are attached to the accompanying memorandum as Exhibit A and incorporated herein by reference. This Board hereby also incorporates by reference: (1) all previously adopted

ordinances establishing and/or amending the services and service areas described in Exhibit A; and, (2) any resolutions adopting preliminary or amended assessment rolls for the service areas described in Exhibit A.

Section 3. After duly advertised public hearing, this Board has received written objections, if any, and heard testimony from all interested persons and, based on the benefit to the properties described in Exhibit A, hereby determines that the levies of the assessments are needed to fund the cost of providing collection, recycling, and disposal of solid waste within Miami-Dade County, Florida. Therefore, this Board adopts the non-ad valorem assessments rolls, rates, and units of measurements as referenced in Exhibit A.

Section 4. All assessments made upon said assessment rolls shall constitute a special assessment lien upon the real property so assessed from the date of the confirmation of such assessments, in accordance with the provisions of Section 15-28 of the Code of Miami-Dade County, Florida.

Section 5. All assessments shall be payable in accordance with Section 15-24 of the Code of Miami-Dade County, Florida. As authorized by Section 197.3632, Florida Statutes, all special assessments levied and imposed under the provisions of the ordinance previously approved by the Board shall be collected, subject to the provisions of Chapter 197, Florida Statutes, in the same manner, and at the same time as ad valorem taxes. Unless paid when due, such assessments shall be deemed delinquent, and payment thereof may be enforced by means of the procedures provided by the provisions of Chapter 197, Florida Statutes, and/or Section 15-24 of the Code of Miami-Dade County, Florida.

Section 6. Within 30 days from the effective date of this resolution, the Clerk of the Board of County Commissioners is directed to deliver to the Tax Collector a copy of the assessment roll to be filed and recorded in the Office of the Clerk of the Circuit Court of Miami-Dade County, Florida.

Section 7. Unless otherwise prohibited by law, this ordinance shall supersede all enactments of this Board including, but not limited to, ordinances, resolutions, implementing orders, regulations, rules, and provisions in the Code of Miami-Dade County in conflict herewith; provided, however, nothing in this ordinance shall amend or supersede the requirements of Ordinance 07-45, as amended.

Section 8. If any section, subsection, sentence, clause or provision of this ordinance is held invalid, the remainder of this ordinance shall not be affected by such invalidity.

Section 9. All provisions of this ordinance shall become effective ten (10) days after the date of enactment unless vetoed by the Mayor, and if vetoed, shall become effective only upon override by this Board.

Section 10. It is the intention of the Board of County Commissioners, and it is hereby ordained that the provisions of this ordinance shall be excluded from the Code of Miami-Dade County.

PASSED AND ADOPTED:

Approved by County Attorney as
to form and legal sufficiency:

Prepared by:

Jorge Martinez-Esteve

EWJ for
