CITY OF HOLLY HILL, FLORIDA

CITY COMMISSION

MINUTES ● JANUARY 23, 2024

City Commission Chamber	Work Session	5:00 PM

CITY HALL
1065 RIDGEWOOD AVENUE
HOLLY HILL, FL 32117

City Clerk's office: (386) 248-9441 - Fax: (386) 248-9448

1. CALL TO ORDER

2. ROLL CALL

Attendee Name	Title	Status	Arrived
Chris Via	Mayor	Present	
John Penny	District 1 - Commissioner	Present	
Penny Currie	District 2 - Commissioner	Present	
John C. Danio	District 3 - Commissioner	Present	
Roy Johnson	District 4 - Commissioner	Present	

3. WASTE PRO DISCUSSION

1.

Waste Pro Discussion

(Requested by Valerie Manning, City Clerk)

Mr. Forte stated if the Commission recalls, back some time ago we had talked about trying to increase the rates that the city charges for solid waste so that we can build up a bit of a reserve in anticipation of the Waste Pro contract expiring in 2027 and then going out for bid, in anticipation that that bid would likely come back significantly higher based on what we're seeing in the industry, if you look at some of the other agencies that have gone out for bids. In doing that, right around that same time, he had a meeting with Tim Dolan who represents Waste Pro and he is here in the audience tonight. Instead of getting a big hit in 2027, they'd get a little bit of an increase now and then run it out past the renewal time and that it would be a smoother rate increase rather than one big hit. Staff has engaged with Bill Redman to work with Tim Dolan and to run some numbers and he's done that and we'll get some of those spreadsheets up on the overhead for the Commission to take a look at. In essence of what he has done is Mr. Redman added a $2.50 increase per household per month plus up to 5% CPI plus fuel cost adjustments and the up to 5% means that if you get a year where the CPI is a 2% increase, it's 2% increase. If you get a year where the CPI is 7% they would only get a 5% increase that year but that extra 2% would carry over the following year, that let's say, if it was 2% that year then they would make it up and they would get 4%. That's kind of the model that that Mr. Redman had done and he ran out four different strategies on that and he will go over each one of them for the Commissioners. For the most part, what the Commission is going to see is this rate increase will run out for 13 years; you will see there are 14 years on the spreadsheet. In the initial rate increase it showed a $2.50 increase plus up to 5% CPI for Waste Pro to get that for the first five years and then after that it would drop down to just CPI's. Staff ran the city's rate increase going out the entire time and the purpose of that was for us to continue to build some type of a reserve in that particular fund. That doesn't mean that you have to run that $2.50 after that 13 or 14 years, it just means that on the spreadsheet you ran it out, at any time in advance of or during the process, you may decide right we're not going to…the reserves are healthy enough, we don't feel that we need to continue to do the $2.50 rate increase and you may decide to stop that in year 8 or 10 or year 12 or whatever, it's an option. Mr. Forte stated he is going to let Mr. Redman talk a little bit about the four spreadsheets with the Commissioners at this time. At the end of the meeting security two things that he would like direction on. One is with regards to this discussion, the Commission is going to have three options. The first option is to take the proposal that's in front of them and maybe it needs a couple of tweaks and they direct the staff to bring it back at a at a near future meeting for formal decision making. The second option is there's a lot more questions that need to be answered and the Commission directs staff to continue to work with Mr. Redman and Mr. Dolan and come back at another work session with more information. The third option is they do nothing. The Commission may decide that the city will go ahead and increase its rates but we do nothing with Waste Pro and the city goes out to bid in 3 years and see what the open market does. The risk with that is not knowing what the open market is going to be in three years. As a conservative manager, his concern is it's always going to be higher but there's a possibility that…he won't say lower but maybe it will be fair. It won't be as drastic of an increase but that's the risk that we have to take and we have to do that with as much information as we possibly can and make some decisions. Mr. Forte turned the presentation of the four spreadsheets over to Mr. Redman to go discuss them at this time with the Mayor and City Commissioners. Mr. Dolan was present as well and spoke briefly on the spreadsheets and was available for any questions that the Mayor or City Commissioners may have.

There was ***consensus*** from the Mayor and City Commissioners to let Mr. Forte know what they would like to do with this at the regular City Commission meeting at the end of the meeting. *The spreadsheets were a part of the agenda packet and available for a copy in the City Clerk's Office.*

(A copy of this workshop in its entirety is available upon request in the City Clerk's Office to be uploaded on a CD or available online on the city's YouTube channel)

4. ADJOURNMENT

The workshop adjourned at approximately 6:00 PM.

Valerie Manning, City Clerk,CMC 1/23/2024

Chris Via, Mayor 1/23/2024