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**Administration**

Pam Roberts, MPA  
Executive Director  
proberts@wasatchfrontwaste.org  
385-468-6342  
604 West 6960 South  
Midvale UT 84047

October 27, 2017

Chris McCandless, Chair Sandy City Council  
10000 Centennial Pkwy  
Sandy, Utah 84070

RE: Request Authorization of the District's 2018 Residential Fee Increase from \$14.75 per month to \$17.00 per month and a new fee for more than one recycling can in the amount of \$3.00 per can/per month. The fee for more than one garbage can will also increase from \$15.00 per month to \$17.00 per month.

Dear Honorable Chair and Sandy City Council;

I am writing to request the City Council's authorization for the District's Board to implement a fee increase to each homeowner in the District to be effective January 1, 2018. This request and fee increase relates to the City's annexed homes that are within the District boundaries. (Approximately 830 Homes)

The Administrative Control Board, of which Councilmember, Kris Nicholl, is currently serving, met on Monday, October 23, 2017 and tentatively adopted the Tentative 2018 Budget, which includes fee increases as listed above. The Board will hold a public hearing for public comment on Thursday, November 16, 2017 at 6:00 p.m. prior to the final budget adoption, which may occur that evening if there is no public comment.

As you may know, the District has in place certain measures that must be met to implement a fee increase to the basic service charges for our residents. Section 6.A. of the County Resolution also declares that "[a]n increase in a basic service charge will not be effective until it has been authorized by a majority of the governing bodies that have representation on the Board as reflected in letters, minutes, or other written confirmation."

Basic services are defined as weekly curbside waste and recycling collections, annual area cleanup, curbside Christmas Tree collections, central collections for glass and leaves, can repair/replacement and landfill vouchers.

Please see the following pages to illustrate the need to increase fees to our residents to sustain service levels and meet the waste and recycling needs of our community.

I appreciate your consideration on this request and I hope to gain your authorization of the 2018 basic fee increases. If you have any questions, please do not hesitate to contact me on my cell phone, 801-550-6324, or you can discuss the questions with the City's representative, Kris Nicholl. I would appreciate an affirmative confirmation of approval for increased fees for these services, from your Council.

Sincerely,

A handwritten signature in blue ink that reads "Pam Roberts". The signature is fluid and cursive, with the first name "Pam" being more prominent than the last name "Roberts".

Pam Roberts  
Executive Director

cc: Mayor Tom Dolan

# Wasatch Front Waste and Recycling District



2018 Proposed Rate Increase



# GOALS 2018

- Meet State and County mandated services.
- Manage increased Costs.
  - Landfill Expenses
  - Maintenance Fees
  - Employee Pay and Benefits
  - Capital Assets
- Remain Competitive with Fee Structures.
- Meet Sustainability Goals.
- Work with needed Truck Replacement Schedules.
- Employee Recruitment and Retention.



Review of Services Provided for the Monthly Fees. Exceptions-Subscriptions Programs have Additional Fees.



Weekly Garbage & Recycling Collection,  
Subscription Green Waste & Curbside Glass



Moving Box Pickup



Trailer Rental



Fall Leaf Pickup



Curbside Collection



Glass Drop Off &  
Subscription Curbside

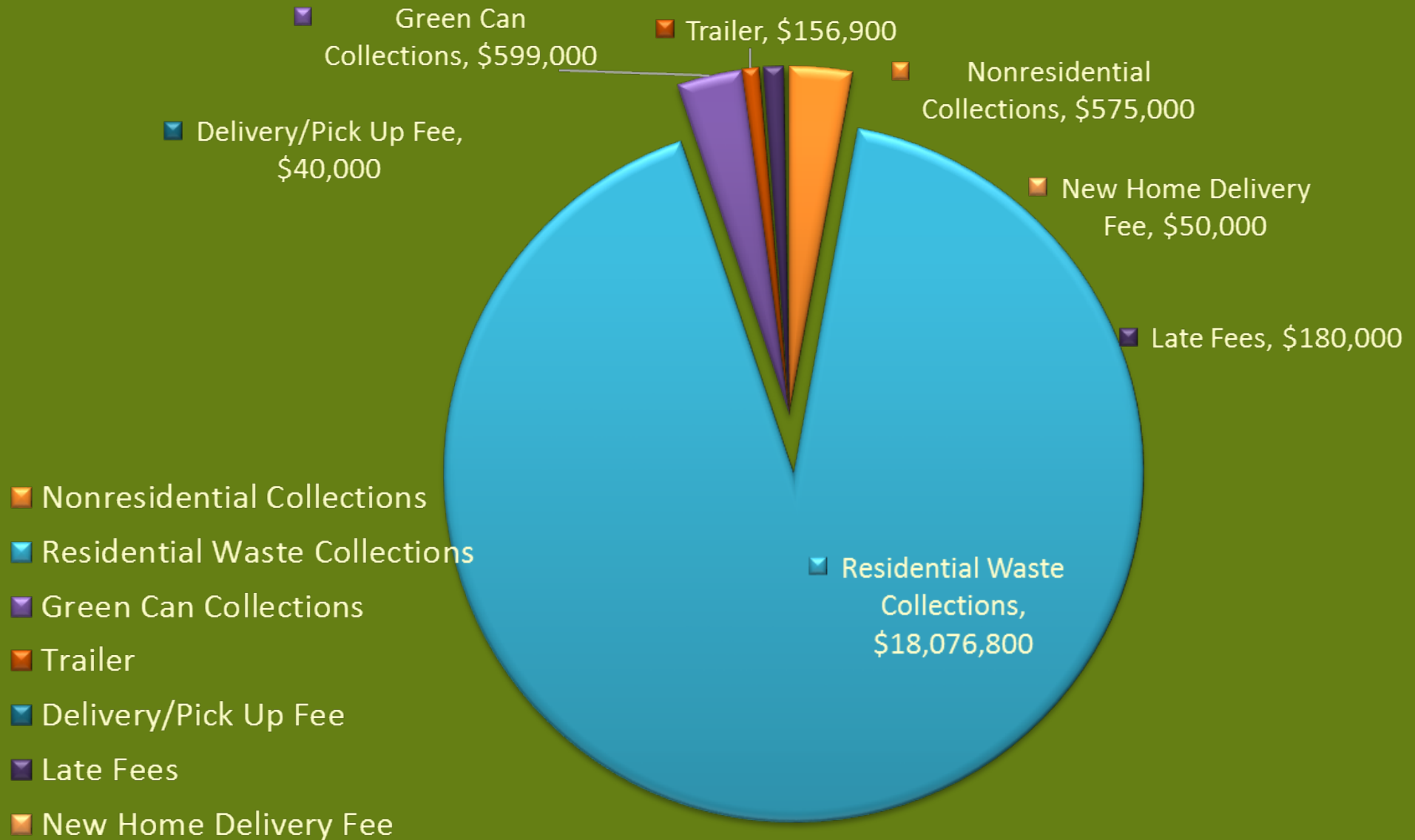


Broken Can  
Replacement



Area Cleanup

# REVENUES BY SERVICE





## Overview of the needed fee increases for WFWRD Services

Currently WFWRD's revenue base is growing by about 1% per year with in new homes being built; while expenses increase about 3% per year. In addition, Capital Purchases are almost fully covered by cash reserves.

The District has several expenses that are not within staff's control, primarily fuel, landfill fees, the recycling market and related fees for processing, maintenance costs, etc.

In anticipation of inevitable increased costs and a desire to keep rates as low as possible, staff have made significant organizational changes over the past decade, and most recently the following:

- Re-structure collection routes to gain efficiencies in 2014, 2016 and 2017.
- In 2017 and going forward, decreased the Capital Replacement budget limiting replacement purchases to 6 per year and extending the life of WFWRD sideload collection trucks to 5-6 years.
- Decreased the OPEB obligation (Other Post-Employment Benefits) that were transferred to existing County employees at separation.
  - The eligibility for this benefit will not be granted to current eligible employees who retire after July 1, 2019.

The standard business practice has been to rely on cash reserves to support the capital expenses for the District. **In 2017 and going forward the fund balance is used to balance the Budget and cover operational expenses as well as capital replacement purchases.**

The District operates on user fees, the billing cycles have a lag time between rate implementation and billing time, and the actual time it takes to receive the cash.

Cash projections show that if we allow cash balances to get too low, the time it takes to replenish cash balances, puts the District in a difficult position and makes it difficult to "catch up" in terms of financial footing.

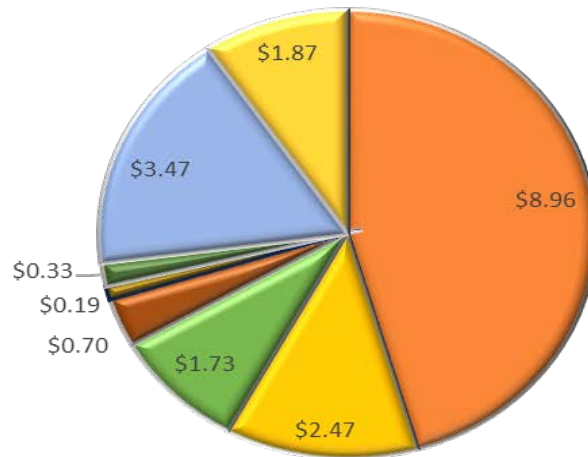
**Options:** Increase user rates and restructure. Reduce or eliminate services.

## Proposed Residential Rates:

Service	Current Rate Per Month	Proposed Rate Per Month	Number of Customers	Projected Additional Revenue
Residential + \$2.25	\$14.75	\$17.00	82,600	\$2,230,200
2nd Can + \$2	\$15.00	\$17.00	6,600	\$237,600
Each 2nd Recycle Can + \$3	\$0.00	\$3.00	Pending Inventory	\$?

Increases in Proposed user rates include increases in contract HOAs. Big Cottonwood Canyon Residents would be exempt due to no curbside services provided.

Services Cost per Resident Per Month



Curbside Garbage	\$ 8.96
Recycling	\$ 2.47
Area Cleanup	\$ 1.73
Cart Program	\$ 0.70
Fleet Management	\$ 0.19
Operational/Internal Services	\$ 0.33
Administrative Services	\$ 3.47
Capital	\$ 1.87
	<hr/>
	\$ 19.72

- Curbside Garbage
- Recycling
- Area Cleanup
- Cart Program
- Fleet Management
- Operational/Internal Services
- Administrative Services
- Capital

Updated to include fee increases at the SL Valley Transfer Station, \$1.50 per ton (\$31.35 to 32.85), Green Waste processing fee increase \$1.00 per ton (\$16.00 to \$17.00), and realized additional maintenance costs related to aging trucks.

# Wasatch Front Waste and Recycling District Cash Projections as of 10-26-17

DRAFT

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>\$2.25 in 2018 + Add'l Increases</b>										
Monthly Base Rate	\$12.75	\$14.75			\$14.75	\$17.00	\$17.00	\$17.00	\$17.00	\$17.00
					2017					
	2013	2014	2015	2016	(Projected)	2018	2019	2020	2021	2022
<b>Cash Delay the First Year</b>						<b>-610,000</b>				
Ending/Beginning Cash Balance	\$15,754,753	\$15,739,605	\$14,794,523	\$10,394,895	\$9,529,638	\$8,501,117	\$7,960,817	\$7,568,790	\$6,697,328	\$5,367,040
Truck Sales	941,420	1,370,289	1,100,256	1,623,109	200,000	500,000	500,000	500,000	500,000	500,000
Total Cash Revenues	16,588,933	17,886,203	15,668,419	18,141,272	18,175,702	19,911,600	20,726,816	20,934,084	21,143,426	21,354,860
Budgeted Operational Expenditures	15,451,130	17,898,830	17,271,501	18,090,033	19,258,604	22,474,500	21,765,361	22,418,470	23,090,085	23,784,305
Less Non-Cash Depreciation Less Other Non-Cash Events (OPEB/Accruals)	(1,981,487)	(1,933,147)	(1,606,179)	(1,810,884)	(1,428,881)	(1,958,800)	(2,017,564)	(2,078,091)	(2,140,434)	(2,204,647)
Adjusted Expenses	13,469,643	15,965,683	15,665,322	16,279,149	17,829,723	19,098,100	19,670,243	20,259,546	20,866,514	21,491,691
Capital	(3,134,438)	(2,865,602)	(4,402,725)	(4,031,124)	(1,574,500)	(1,853,800)	(1,948,600)	(2,046,000)	(2,107,200)	(2,046,000)
Restricted-Annual OPEB	124,014	96,084	87,859	77,889	77,829	82,738	85,166	87,864	89,538	93,761
Accumulated Opeb as Reserve	\$544,570	\$640,654	\$640,654	\$806,528	\$884,357	\$967,095	\$1,052,261	\$1,140,125	\$1,229,663	\$1,323,424
Customers					82,600	82,600	83,426	84,260	85,103	85,954
Ending Cash Balance	\$15,739,605	\$14,794,523	\$10,394,895	\$9,529,638	\$8,501,117	\$7,960,817	\$7,568,790	\$6,697,328	\$5,367,040	\$3,684,209
Ending Working Balance (after OPEB)	\$15,195,035	\$14,153,869	\$9,754,241	\$8,723,110	\$7,616,760	\$6,993,722	\$6,516,529	\$5,557,203	\$4,137,377	\$2,360,785
<b>Without Increases in 2018</b>										
Monthly Base Rate	\$12.75	\$14.75			\$14.75	\$14.75	\$14.75	\$14.75	\$14.75	\$14.75
Cash Balances					Monthly Rate Increase	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
					2017					
	2013	2014	2015	2016	(Projected)	2018	2019	2020	2021	2022
Ending/Beginning Cash Balance	\$15,754,753	\$15,739,605	\$14,794,523	\$10,394,895	\$9,529,638	\$8,501,117	\$6,103,017	\$3,218,512	-\$170,353	(\$4,043,219)
Truck Sales	941,420	1,370,289	1,100,256	1,623,109	200,000	500,000	500,000	500,000	500,000	500,000
Total Cash Revenues	16,588,933	17,886,203	15,668,419	18,141,272	18,175,702	18,053,800	18,234,338	18,416,681	18,600,848	18,786,856
Budgeted Operational Expenditures	15,451,130	17,898,830	17,271,501	18,090,033	19,258,604	(22,474,500)	(21,765,361)	(22,418,470)	(23,090,085)	(23,784,305)
Less Depreciation	(1,981,487)	(1,933,147)	(1,606,179)	(1,810,884)	(1,428,881)	1,958,800	2,017,564	2,078,091	2,140,434	2,204,647
Less Non-Cash Events						1,417,600	77,554	80,833	83,137	87,967
Adjusted Expenses	13,469,643	15,965,683	15,665,322	16,279,149	17,829,723	(19,098,100)	(19,670,243)	(20,259,546)	(20,866,514)	(21,491,691)
Capital	(3,134,438)	(2,865,602)	(4,402,725)	(4,031,124)	(1,574,500)	(1,853,800)	(1,948,600)	(2,046,000)	(2,107,200)	(2,046,000)
Projected Final Cash Balance before OPEB	15,739,605	14,794,523	10,394,895	9,529,638	8,501,117	6,103,017	3,218,512	(170,353)	(4,043,219)	(8,294,054)
Restricted-Opeb	124,014	96,084	87,859	77,889	77,829	82,738	85,166	87,864	89,538	93,761
Accumulated Opeb as Reserve	124,014	220,098	307,957	\$806,528	884,357	967,095	1,052,261	1,140,125	1,229,663	1,323,424
Revenue generated through increases						-	-	-	-	-
Customers						82,600	82,600	83,426	84,260	85,103
Ending Cash Balance	\$15,737,221	\$14,794,523	\$10,394,895	\$9,529,638	\$8,501,117	\$6,103,017	\$3,218,512	(\$170,353)	(\$4,043,219)	(\$8,294,054)
Ending Working Balance (after OPEB)	\$15,615,591	\$14,574,425	\$10,086,938	\$8,723,110	\$7,616,760	\$5,135,922	\$2,166,251	(\$1,310,478)	(\$5,272,882)	(\$9,617,478)

**The District's Administrative Control Board has set a policy to have a 20% year-end cash balance. The 20% is based upon budgeted revenues and it is to ensure that the District remains solvent and sustain a debt free status.**





Thank you!

Sincerely,  
Future Generations