

MEMO

November 11, 2021

To: Finance Committee
Village Board

From: Dave De Angelis
Monica Hughes

RE: 2022 Solid Waste User Fees

We have just received written notice from John's Disposal Service that they will not be able to continue servicing the Village at the expiration of our current contract, under its current terms. The contract ends on March 31, 2022. They have expressed a desire to continue working with the Village but will need to increase the monthly fee per household by 58%. The fee would increase from \$12.03 per month to \$18.95. The total user fee per resident would increase from the current fee in the 2022 budget of \$256.40 to \$316.70, an increase over the 2021 rate of \$62.38 or 24%. The residential user fee also includes costs for landfill disposal, brush disposal and operations of the yard waste facility.

John's has indicated that they have been operating under the 7 year contract, which was configured with 3 drivers in the Village for 3 days a week, but have used 4 drivers and 4 trucks to provide the requested service to the Village due to a higher than anticipated amount of materials. This has added substantial costs and they believe it will continue in future years with increased labor and fuel costs.

The Village has the ability to go out to bid for service but staff believes that the pricing will be similar to their requested fee. We will verify what rates are with some of the other communities in Waukesha County. As we are one of only a few municipalities that use 'up the drive' service there are a limited number of available vendors. It is staff's recommendation that in order to continue without a disruption in service, the user fee for 2022 should be increased to \$316.70. This will allow us to continue with John's for 2022 and more long-term options can be considered, especially in light of what we have been led to believe the rates are in the other communities.

Attached is an updated budget summary including the increased fee for discussion and action at the special meeting to be held on Monday November 15th, 2021 at 1pm. The budget is scheduled for public hearing and board action the following Monday.

	<u>Current</u> <u>Proposed</u> <u>Budget</u>	<u>New</u> <u>Proposal</u>	<u>Increase</u>	<u>% increase</u>
Solid Waste fee	\$ 256.40	\$ 316.70	\$ 60.30	24%
	<u>2021 fee</u>	<u>2022 fee</u>	<u>Increase</u>	<u>% increase</u>
sewer fee	\$ 367.72	\$ 558.50	\$ 190.78	52%
stormwater fee	\$ 135.62	\$ 136.98	\$ 1.36	1%
solid waste fee	\$ 254.32	\$ 316.70	\$ 62.38	25%
total	\$ 757.66	\$1,012.18	\$ 254.52	34%