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COUNCIL**

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**MEETING MINUTES
20241112 CM Carlucci on Solid Waste Fee**

Called to order at 3:45 PM

CM Matt Carlucci had attendees introduce themselves and gave Council President White an opportunity to speak at the forefront due to a scheduling conflict.

CM Carlucci asked Kim Taylor from the Council Auditor's Office to review how the City arrived at this point with the solid waste loan. Ms. Taylor reviewed the budget hearing handout and explained that in FY 17/18, the solid waste loan was approximately \$3 million. Significant hauler cost increases over the last two years raised the loan to \$35 million this past year, with projections of \$95 million by the end of this fiscal year.

CM Carlucci asked Ms. Taylor to clarify the cost of the service, and the garbage fee currently charged. Ms. Taylor explained that the garbage fee is \$12.65 as a non-ad valorem assessment. Between 2008 and 2010, the fee was established as a non-ad valorem assessment at \$12.65. Previously, the CFO could adjust the fee annually if costs exceeded revenue, but adjustments now require City Council approval.

CM Michael Boylan asked how much the City collects annually. Ms. Taylor indicated that approximately \$43 million is collected annually in fees. CM Boylan confirmed this means the City's costs are approximately \$80 million per year.

Dylan Reingold, Office of General Counsel, presented on the legislative requirements for any Council action regarding fees. He stated there is no legislative requirement to increase the fee to \$18, which is the current cap set in 2010. If the Council wishes to increase the fee beyond \$18, a preliminary rate ordinance would be required. This ordinance must include the cost of service and the proposed assessment rate for the next year, consider removing or changing the maximum rate requirement, and direct the Mayor to notify affected property owners via first-class mail.

CM Boylan clarified that even raising the fee to \$18 would still require a City contribution to offset the cost of the service. Achieving a fee that fully matches the cost of service would require following the procedure outlined by Mr. Reingold.

CM Jimmy Peluso asked how the fee would be adopted each year if the maximum rate were eliminated. Mr. Reingold responded that it would follow the standard budget process. CM Peluso inquired if landfill rates could also be revisited. CM Carlucci stated that landfill rates had not

been considered but could be discussed. CM Peluso suggested reviewing fees for out-of-town carriers using Jacksonville's landfills as a potential revenue source.

CM Rahman Johnson asked if a phased approach to increasing the fee could be considered. Ms. Taylor indicated that the Council Auditor's Office is exploring different scenarios. CM Johnson stated that an \$18 fee would only be a temporary solution.

CM Will Lahnen asked about the historical decision to stop treating the solid waste fee as a self-sustaining fund. Ms. Taylor was uncertain about the rationale at the time. She noted the fee was sufficient to cover costs until it was no longer adjusted to reflect rising expenses. CM Lahnen also requested details about the \$95 million loan. Ms. Taylor explained that the loan was always intended to be paid off, but the Office of General Counsel is currently reviewing options.

CM Matt Carlucci outlined three main goals for drafting legislation: to establish a fee that covers the cost of service, provide protections for low-income residents, and explore all options to address the outstanding loan.

CM Joe Carlucci asked for a ballpark estimate of the cost of service. Ms. Taylor estimated the cost would be roughly double the current fee of \$12.65.

CM Johnson asked about the current legislative draft. Mr. Reingold explained that the draft contains placeholders and requires feedback from Council. CM Peluso suggested it may be more practical to address the fee increase in one step rather than through a phased approach. Ms. Taylor clarified the distinction between the loan and a subsidy, noting that general fund dollars cannot be used to offset the loan.

CM Carlucci reiterated his commitment to bringing multiple options back to the Council. CM Johnson expressed a desire for an approach allowing lower fees for fixed-income households, which CM Carlucci confirmed aligns with his goal to protect low-income residents.

Mr. Reingold clarified that yearly notice requirements apply only if a new maximum rate is established or if the \$18 cap is retained. CM Peluso asked if landfill fees are deposited into the same fund as solid waste fees. Ms. Taylor confirmed that most landfill fees are directed to the same fund.

Public Comment

Eric Fuller, Public Works asked OGC to clarify the timing of required notices. Mr. Reingold stated that prior guidance on preliminary notice to the property appraiser is no longer relevant, as the solid waste fee already appears on property tax bills.

John Nooney provided comments on CPACs, CRAs, and other community organizations and thanked CM Carlucci for allowing public input.

Adjournment

The meeting was adjourned at 4:25 PM.