Navigating Political and Funding Pressures

IN SOLID WASTE AND CLIMATE MANAGEMENT



Scott Pasternak | October 2026

Agenda

01 // National Financial Trends

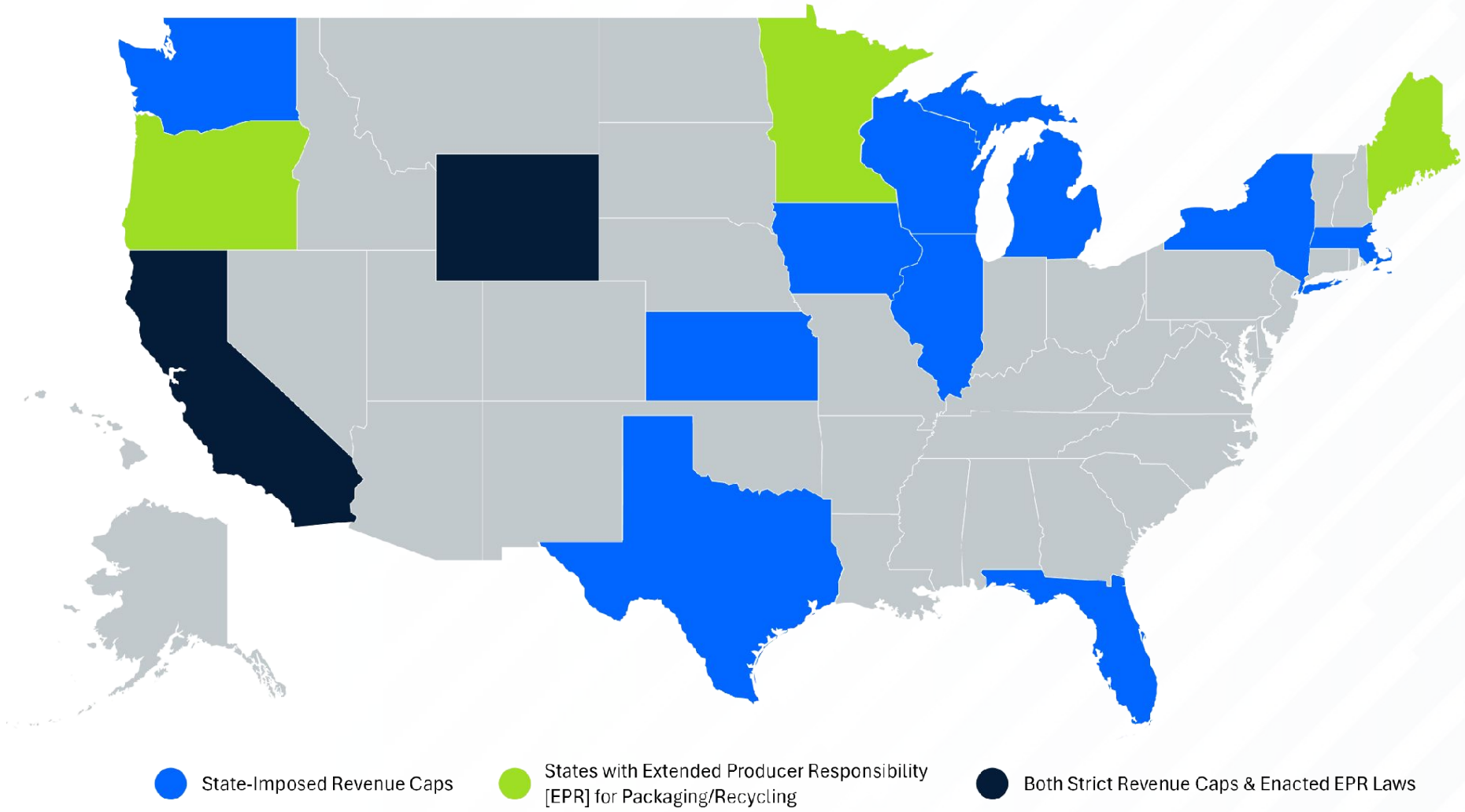
02 // Broaden the Revenue Base Beyond Homeowners

03 // Commercial Collection Services as Revenue Engine

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Statewide Challenges and Opportunities

Revenue Handcuffs vs. Producer Responsibility



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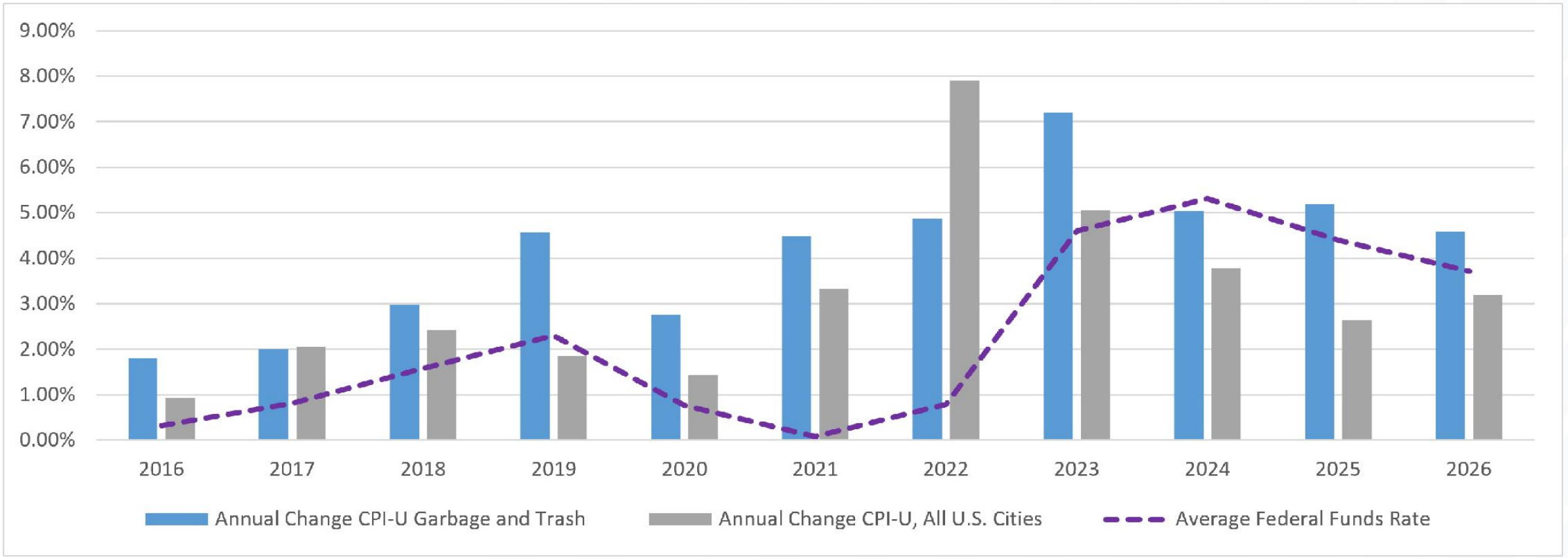
The "DOGE" Mindset and Council Austerity



Council Austerity Directives

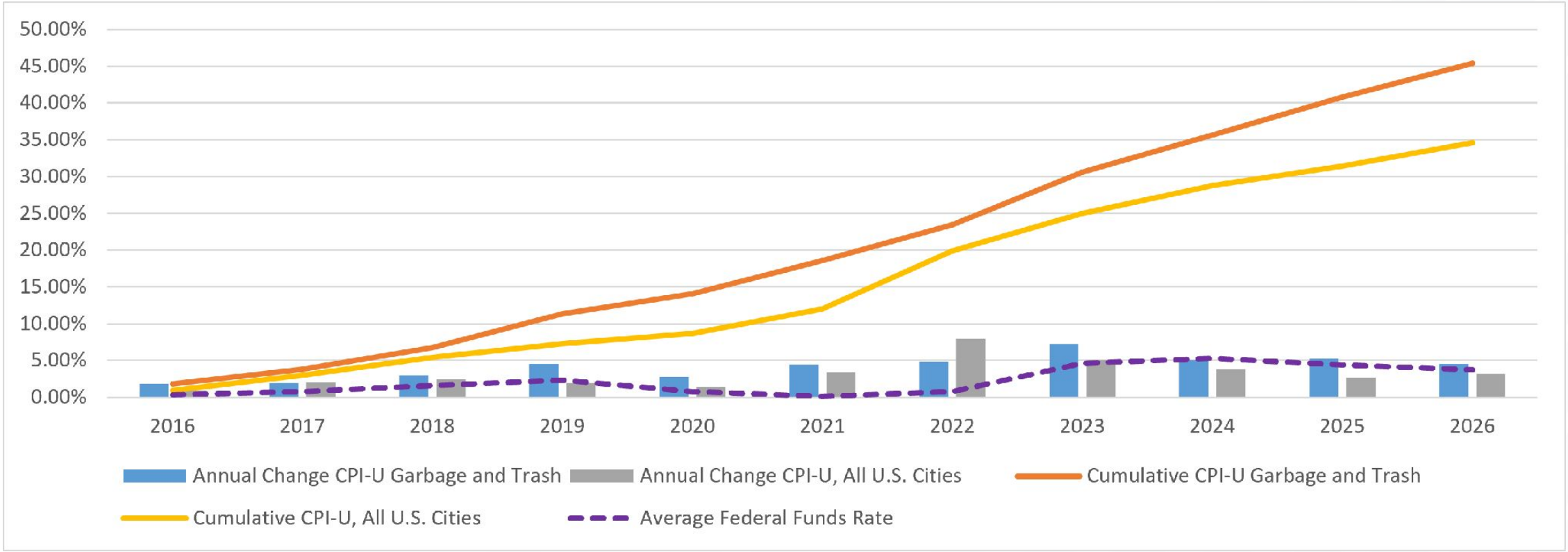
Arbitrary Department Cuts

Compounding Inflation and Capital Borrowing Pressures



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Compounding Inflation and Capital Borrowing Pressures



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CASE STUDY



Escalating Cost of Solid Waste Infrastructure

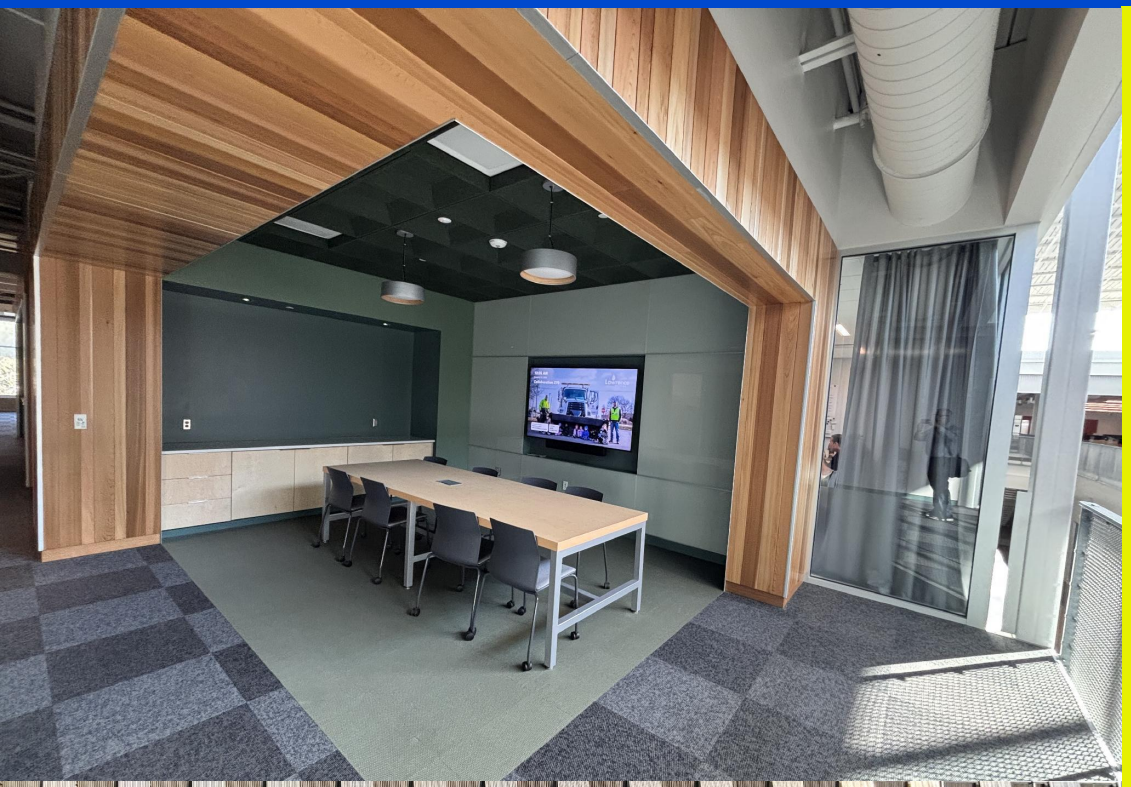
City of Dallas FCC MRF

Financial Metrics

- **2015 Build Cost:** $23 Million
- **2026 Replacement Reality:** Many comparable MRFs now cost **$40 to $60+ Million**

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CASE STUDY





Escalating Cost of Solid Waste Infrastructure

City of Lawrence Municipal Service Operations Facility

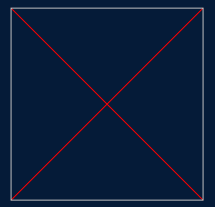
Financial Metrics

- **2026 Construction Cost: $38 Million**
- **Budget Impact:** Annual principal and interest payments increased the department's annual budget by **12%**

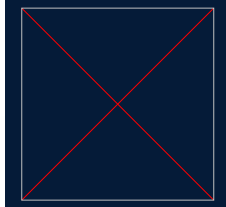
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Broaden the Revenue Base Beyond Homeowners

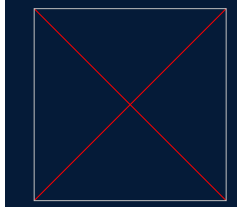
Diversifying Revenue Streams to Protect Single-Family Rates



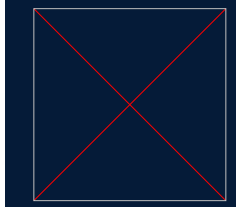
Landfill Environmental Surcharges & Franchise Fees
Private haulers utilizing municipal roadways and regional disposal assets pay their fair share.



Universal Clean Community Fees Charge a dedicated fee across all property classes for services that benefit the entire community.



Monetizing Disposal Capacity
Strategic selling of available municipal landfill airspace and transfer station operations to private haulers, capturing significant non-tax enterprise revenue.



Transition from Tax Funding to Dedicated Enterprise Utility Fees
Provides relief for the General Fund while creating stable, dedicated funding for solid waste

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Commercial Collection Services as a Revenue Engine



- While residential services are frequently bound to strict cost-of-service pricing, commercial frontload and roll-off services can operate at competitive, market-driven rates.
- Many established commercial operations generate healthy operational margins.
- Excess commercial revenue can be applied to **"buy down"** required residential rate increases.

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Barriers to Commercial Collection Entry

Capital Intensity	*Equipping commercial routes requires massive upfront vehicle and container capital.*
Private Sector Competition	*National haulers may protect commercial market share and underbid municipal startups.*
Legal Charter Limits	*Check state statutes on restrictions from competing directly against private commercial haulers.*
Strategic Recommendation	*If not already in commercial collection, do not buy trucks; instead, capture commercial value through franchise fee, facility surcharges and clean community fees.*

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