

## Solid Waste Collection Franchise Process

Due to the success of the Lealman Solid Waste Solid Waste Collection and Disposal District, a Municipal Services Benefit Unit (MSBU) established to provide the benefits associated with franchised solid waste collection, Pinellas County has received numerous inquiries about establishing solid waste collection districts in other parts of the County.

There are five basic steps to establishing an MSBU for collection of solid waste.

- Obtain Community Support – A request to the Commission to provide franchised collection service must come from a significant portion of the community. A petition signed by verifiable property owners within the proposed district is the recommended method of requesting establishment of the MSBU. Someone within the community desiring to create the MSBU must prepare the petition and obtain the signatures. A generic sample petition is available from Solid Waste.

Solicitation of citizen support can be through public meetings, homeowner's associations meetings, church groups, etc. Solid Waste staff is available to provide information if requested.

Soliciting community support and obtaining signatures for the petition is probably the most difficult part of the process. The more signatures you have, the better your chances of establishing an MSBU district. Forward petitions to: Pinellas County Solid Waste, 3095 114th Avenue North, St. Petersburg, Florida 33716.

- Define the Service Area – The community needs to decide, as part of the process of generating community support, the boundaries of the service area. For practical and economic purposes, the boundaries of the service area should be of sufficient size to provide a hauler with an economy of scale (generally the larger the area exclusively franchised the lower the costs of collection), and be compact (have concentration to not create unnecessary enclaves, pockets or serpentine finger areas).
- Comply with the Unfair Competition Act – When establishing a solid waste MSBU, the County must comply with Section 403.70605, F. S. known as the "Unfair Competition Act." Unless the County receives a petition from a majority of the property owners in the area where the franchise would displace any solid waste hauler, the law requires the County to:
  - Provide 45 days advance notice to the solid waste collection companies operating within the defined area that the County wants to establish an exclusive franchise;
  - conduct a public hearing about the County's plans to provide franchised collection;
  - provide notice to the public of the public hearing; and
  - either:
    - provide three (3) years notice of the County's plan to the companies providing solid waste services in the area that would be displaced; or

- pay each displaced hauler an amount equal to 15 months gross receipts for the area from which each hauler is being displaced.
- Establish an MSBU – The County will hold a public hearing to establish the MSBU, which is the legal entity through which the County will collect the assessments and contract with the collection service provider.
- Procure a Service Provider and Implement Collection Service– After creating the MSBU, and prior to the end of the three-year waiting period, Pinellas County staff will prepare and issue bid documents, select the collection company, and implement service. The implementation of waste collection service cannot begin until there has been compliance with the provisions of the Unfair Competition Act.
- There are some other important facts to consider when creating an MSBU.
- The cost of the service is included on your annual tax bill as a non-ad valorem assessment.
- There is no guarantee that the amount of the assessment will be less than what you are paying now, and it may be more. The actual amount of the assessment cannot be determined until receipt of the bids and award of the contract for collection services. This occurs approximately 9 months prior to the service starting. There is a good chance the cost of collection will be more than what the residents of Lealman are paying. However, expectations are that it will be significantly less than what most residents are paying now. After the bids are received, the Board of County Commissioners may repeal the MSBU ordinance in the event that the assessment is ultimately determined by the Board to be too high, instead of going forward with the district.
- There will be an initial assessment the year before collection service starts. This assessment will pay for any expenses incurred to date in setting up the MSBU (including but not limited to the costs of preparing documents and procuring a contractor), will create the working capital needed to operate the district, and will offset future costs to the district.
- Collection of the District assessment will be by the Uniform Method of Collection along with ad valorem taxes. Although the assessment is not a tax, collection of the assessment is in arrears, just like property taxes. This means that the annual cost of operating the MSBU for a specific calendar year will appear on the tax bill that comes out in November of that year. Additionally, just like taxes, there are discounts available for early payment and just like taxes; failure to pay the assessment can ultimately result in sale of the property.
- The benefit to a solid waste MSBU is more than just a reduced cost for solid waste services. Listed below are some of those benefits.
  - There can be a reduction in the number of trucks traveling the roadway in your neighborhood. Currently, there can be two or more different companies servicing

some neighborhoods. That means there are two or more garbage trucks driving through the neighborhood during the week. This increases the wear on the roads as well as the overall traffic. One company means one truck, less traffic and less wear on the roads.

- There can be an increase in service. Most collection companies do not collect bulky waste such as furniture, or they charge extra for it. The contract for the MSBU can contain a provision to provide this service.
- When multiple companies service a neighborhood, there are usually garbage cans at curbside every day of the week. Franchising will reduce the number of days cans are at curbside to one or two, depending on the number of days serviced. This can improve the overall appearance of the neighborhood.
- There is generally an overall improvement in the appearance of the community, less litter, less piles of brush or bulky waste at the curb, less days with garbage cans setting out, and less junk in yards.