



# Ocala

## City Council: Work Session

### Minutes

110 SE Watula Avenue  
Ocala, FL 34471

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**Tuesday, January 13, 2026**

**12:00 PM**

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#### **RE: Sanitation Rate Study**

**1. Call to Order**

**2. Roll Call**

**Present:** Mayor Ben Marciano  
Pro Tem Jay A. Musleh  
Council Member Kristen M. Dreyer  
Council Member James P. Hilty Sr  
Council Member Barry Mansfield  
Council President Ire J. Bethea Sr

**3. Public Notice**

- **Public Notice for the January 13, 2026 City Council Work Session was posted on January 9, 2026**

**4. Topics for Discussion**

**4a. Sanitation Rate Study**

**Presentation By: Darren Park**

Darren Park, Public Works Director, opened the discussion by referencing the November 12 meeting in which the consultant's recommendations for sanitation services were previously reviewed. Staff had been directed at that time to evaluate the potential impact of discontinuing curbside single-stream recycling on future rate increases, as well as to examine options for bringing Trinity Villa's sanitation rates into alignment with those applied to other multifamily complexes. Mr. Park then introduced the consultant to present the updated information and invited attendees to ask questions throughout the presentation.

Thierry Boveri, Vice President of Raftelis, introduced himself and noted that the firm's lead analyst was also present. Mr. Boveri stated that the purpose of the presentation was to provide a brief recap of the original sanitation rate study previously presented, followed by an update based on the Council's direction. He outlined three specific items identified for re-evaluation:

- the impact of delaying rate implementation until March,
- adjusting the Trinity Villas rate to align with the multifamily rate, and
- determining the effect on rates if the City eliminated the curbside single-stream recycling program under the existing contract.

Mr. Boveri advised that each item would be addressed in detail and that the goal of the updated review was to support further direction from the Council. He then referenced a slide from the November presentation illustrating the forecasted revenue requirements of the solid waste system, including operating and maintenance expenses, indirect cost allocations, and capital needs. Mr. Boveri noted that revenues were insufficient beginning in FY 2025 to fully fund capital requirements, although operating costs could be met. He attributed the shortfall primarily to inflationary increases in solid waste operations, which have exceeded typical consumer inflation. Although some rate adjustments had been made in prior years, he stated that the system had not kept pace over the last decade. The consultant therefore developed a two-year rate adjustment plan intended to restore financial sustainability while moderating customer impacts.

Mr. Boveri reviewed additional components of the November presentation, noting that commercial bill impacts had previously been outlined. He emphasized that recommended commercial rate increases were proportional to those proposed for residential and multifamily customers, with slightly higher adjustments in the first two years followed by inflationary increases thereafter.

He reiterated that the original recommendations included a two-year rate adjustment plan followed by annual indexing aligned with industry-specific inflation metrics, specifically the solid waste “garbage and trash” index within the Consumer Price Index. This approach was intended to maintain pace with rising costs and preserve adequate margins for required capital needs. He further recommended that the City conduct periodic cost-of-service reviews every three to five years, or sooner if significant operational changes occurred.

Mr. Boveri summarized the three main areas the Council requested for re-evaluation: delaying the rate implementation date, adjusting Trinity Villas’ rate structure, and analyzing the impact of eliminating curbside recycling services. He reported that delaying implementation until March did not materially affect the financial condition of the solid waste enterprise fund, with projected cash balances remaining above policy targets.

Regarding Trinity Villas, Mr. Boveri presented three scenarios for adjusting their rates to align with the multifamily customer class: maintaining the current rate (baseline), phasing in adjustments over three years, or phasing in over five years. Both phase-in options ultimately align the Trinity Villas rate with the multifamily rate by FY 2028 or FY 2030, respectively. He noted that the financial impact to the enterprise fund is minimal due to the small number of accounts affected, and the question is primarily one of rate equity. Council direction on the preferred option would be needed at a future point.

Mr. Boveri then addressed the evaluation of eliminating curbside recycling. He outlined

key assumptions, including an estimated annual reduction of approximately \$1.6 million in contractor costs if curbside recycling services were discontinued. This would be partially offset by an estimated \$200,000 annual increase in landfill disposal costs due to recyclable material being routed to the solid waste stream. The net reduction to the system was estimated at approximately \$1.4 million annually. For conservative modeling, these changes were assumed to begin in FY 2027, though implementation as early as April could generate additional savings. He also identified potential one-time costs of approximately \$1 million for operational adjustments, and an ongoing annual cost of roughly \$100,000 to support a staffed convenience center to provide residents with an alternative recycling option.

Mr. Park clarified that the estimated one-time cost assumption for replacing recycling carts was intentionally conservative. He noted that not all residents would require a second cart if curbside single-stream recycling were eliminated, as some already have sufficient capacity and others may not request an additional cart. The higher estimate was used to ensure adequate budgeting, and Mr. Park emphasized that the figure represents a cautious upper-range projection.

Council Member Musleh asked how many accounts were included in the Trinity Villas customer group and whether their waste generation was relatively minimal. Mr. Park responded that there were approximately 240 accounts, most of which were single-occupancy and predominantly elderly residents. He noted that Trinity Villas does not receive curbside single-stream recycling service but does have access to a cardboard dumpster onsite, which is generally sufficient for their level of usage.

Mr. Boveri reiterated that the Trinity Villas matter was primarily an equity consideration, as the number of accounts involved did not materially impact the overall financial condition of the sanitation system. He then presented projected rate increases under the scenario in which curbside recycling is retained. Under this option, single-family and multifamily customers would see increases of just under \$2.00 per month in FY 2026 and FY 2027, followed by increases of approximately \$1.00 per month in subsequent years. Commercial customer increases would remain consistent with the November recommendations, as recycling adjustments do not affect commercial service.

He concluded his updated analysis and requested Council direction on the items previously identified. Mr. Park added that staff was seeking specific direction regarding the future of curbside single-stream recycling and the rate alignment for Trinity Villas. He stated that if curbside single-stream recycling were to be eliminated, the Council would also need to determine whether to reinstate staffed drop-off recycling locations. Should the Council wish to proceed with drop-off sites, staff would begin with existing viable locations and return for further direction as needed.

Mr. Park noted that eliminating curbside recycling would also require establishing a new contract for processing the collected materials. He estimated that implementing the

change-and notifying all customers-would require approximately three months. This timeline includes securing the processing contract, reinstating drop-off sites, and informing residents both of the discontinuation of curbside single-stream recycling and the availability of the designated drop-off locations.

Council Member Musleh asked which materials would be accepted for recycling should drop-off locations be reestablished, noting that glass would likely not be included. Mr. Park confirmed that glass would not be accepted and identified cardboard, paper, steel and aluminum cans, and plastics #1 and #2 as viable materials. He added that residents often cannot reliably identify plastic types, which can complicate source separation.

Council Member Dreyer asked about rate implementation timing and confirmed the effective date of the first rate increase as March 1, with the second increase occurring on October 1. Under the proposed structure, subsequent annual adjustments would follow the solid waste CPI index. Mr. Park noted that eliminating curbside single-stream recycling would lower the projected rate increases. Staff displayed the comparative rate tables and charts at the Council Member's request.

Council Member Hilty asked for clarification regarding disposal practices at regional facilities and whether recyclable materials placed in the regular waste stream would be separated by the processor, potentially generating credits for the City. Mr. Park explained that while the State of Florida previously maintained a recycling goal, it no longer has a comprehensive plan in place. Only three counties currently meet the former goal, all of which operate waste-to-energy facilities. He stated that achieving high diversion rates requires waste-to-energy processing, which is not contemplated in the City's scenarios, and that dual-stream or single-stream processing would not produce such credits.

Council Member Hilty asked about the status of potential gasification or waste-to-energy initiatives at the County level and whether such facilities, if developed, could process the City's recyclable materials should curbside single-stream recycling be discontinued. Mr. Park responded that this would depend on County decisions and contractual arrangements, but confirmed that the City's existing five-year disposal contract includes a termination-for-convenience provision, making such a shift technically possible. He noted that geographic and economic feasibility would be key considerations, and that long-distance hauling to out-of-county facilities would not be practical.

Council Member Hilty clarified that his assumption was based on the possibility of a waste-to-energy facility being developed within Marion County. Mr. Park agreed that, if a local facility were operational, routing material there could be viable.

Council Member Hilty also asked whether the City had evaluated sending waste directly to the County landfill rather than the current disposal site, and whether there was a cost difference. Mr. Park stated that the County's gate rate is higher than the City's current rate. Upon further discussion, he confirmed that the County charges approximately \$69

per ton, compared to the City's current rate of \$58.73 per ton.

Council Member Hilty asked whether the proposed recycling drop-off locations would require staffing. Mr. Park responded that the sites would not be staffed and would utilize traditional dumpsters, as the City has been unable to source the former igloo-style containers. He confirmed that the drop-off sites would operate as unmanned collection points, with materials serviced and removed by the contractor.

Council Member Mansfield asked whether the proposed unmanned recycling dumpsters would be used appropriately for recyclable materials or whether they risked becoming general trash receptacles. Mr. Park responded that while a large portion of curbside recycling is currently contaminated, contamination is typically much lower at voluntary drop-off sites. He explained that users who bring materials to designated recycling dumpsters generally do so intentionally and are more likely to follow proper guidelines. If contamination occurred, the City would address it with the contracted vendor, though past experience with igloo-style bins did not present significant issues. Mr. Boveri added that drop-off locations typically include separate containers for different materials, resulting in minimal contamination at processing facilities.

Council members discussed whether the City could modify its existing contract with the current recycling contractor to transition from curbside single-stream collection to servicing unmanned drop-off recycling sites. Mr. Park stated that this would require review by Procurement but could be feasible if the contractor agreed, noting that the structure and value of the contract would change significantly. Several council members expressed support for eliminating curbside recycling and moving to drop-off locations, while allowing residents to choose whether to participate. Council members also discussed the implementation timeline, with a preference for a later start date-such as June 1 or the beginning of FY 2027-to allow sufficient time for notifications and operational adjustments. Mr. Boveri clarified that his financial projections assumed cost savings would not begin until FY 2027 to accommodate any direction the Council might provide. The Council generally agreed with proceeding on a two-year rate phase-in and exploring conversion to drop-off recycling by mid-year.

Mayor Marciano expressed support for eliminating curbside recycling but emphasized the importance of clear public messaging, noting that residents may perceive both rising rates and reduced services. Mr. Park responded that the City could highlight the reduced rate increase made possible by discontinuing curbside recycling and frame the change as a cost-saving measure in the community's best interest. The Mayor agreed, noting that a smaller volume of cleaner recycled material from drop-off sites is preferable to the high contamination levels currently seen in curbside recycling.

Council Member Musleh opened discussion on Trinity Villas, noting the need to balance rate equity with sensitivity to the property's low-income senior residents. He acknowledged the historical basis for their reduced rate but questioned how to fairly treat

similar income-restricted properties. Other council members raised concerns about drawing consistent eligibility lines and avoiding the creation of broader discounted-rate programs that would be difficult to administer.

Several council members supported phasing in any increase gradually to minimize impact. After considering options ranging from five to ten years, the Council reached consensus on a seven-year phase-in to bring Trinity Villas to the standard multifamily rate. Council also agreed that City staff should meet directly with Trinity Villas' administrators to notify them of the change in advance.

The Council discussed the effective date for transitioning away from curbside single-stream recycling. Members agreed that implementation should occur prior to the end of the fiscal year, with consensus forming around a July 1 start date. Mr. Park confirmed that the existing recycling carts are owned by the contractor, who may choose whether to remove them or allow residents to repurpose them as additional refuse carts. Staff will review the City's recycling policy and return with recommended adjustments.

Council members also revisited concerns about affordability for residents with financial challenges. Finance Director Peter Brill explained that assistance previously available through LIHEAP could be applied to the entire utility bill but, due to recent federal changes, can now only be applied to the electric portion. Other assistance agencies exist, though funding is limited. Staff noted that customer service works closely with residents to connect them with available programs and payment arrangements as needed.

Mr. Park sought clarification from Council regarding whether the July 1 implementation date should apply both to terminating curbside single-stream recycling and launching the new unmanned drop-off recycling locations. Council Member Musleh confirmed that both actions should take effect on the same date.

Council briefly revisited which materials would be accepted at the drop-off sites. After discussion, consensus was reached to include steel, aluminum, paper, cardboard, and plastics #1 and #2, with the understanding that the processing vendor may later adjust acceptable materials based on market conditions. Council noted that steel volumes from households would likely be minimal, and staff confirmed that steel and aluminum are currently collected together but could be separated if needed.

Council reaffirmed direction to staff and confirmed there were no additional comments. The work session was adjourned.

## **5. Adjournment**

- **12:46pm**

## **Minutes**

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Ire J. Bethea Sr.  
Council President

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Angel B. Jacobs  
City Clerk