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DEPARTMENT OF
PUBLIC WORKS

CITY OF SACRAMENTO
CALIFORNIA

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June 20, 1990

ADMINISTRATION
916-449-8747

Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: REPORT BACK ON SOLID WASTE PROGRAM FUNDING ALTERNATIVES

SUMMARY

This report provides an analysis of the costs which require the proposed Solid Waste 9% garbage fee increases and indicates the priority which Public Works gives to existing programs and proposed augmentations.

BACKGROUND

On May 30, 1990 staff presented, to the Budget and Finance Committee, the proposed 1990-91 Solid Waste Operating Budget and its associated fee schedule. The proposed 1990-91 solid waste fees include a 9% increase in residential rates and no increase in commercial bin rates. During the meeting, it was noted that the proposed budget did not include funding for a residential curbside recycling program. The Budget and Finance Committee directed staff to report back with a prioritized list of the programs that necessitated the proposed 9% "garbage fee" increase and the incremental cost of each of these programs, as well as their individual percent of impact on the overall increase.

The May 30, 1990, staff report on proposed solid waste services fee adjustments (the "Rate Report") identified specific cost increases and savings for the coming year. Analysis of the proposed budget indicates that staff-controlled operating costs have gone down \$214,000 for solid waste related services due to more efficient operations, including the continued conversion to automated collection of residential solid waste. The proposed rate increase for residential customers is primarily due to anticipated employee cost-of-living adjustments, new landfill taxes imposed by the State, and a needed increase in the fund balance for a required minimum contingency fund. Minor increases are also related to a Council-approved increase in services for household hazardous waste collection and increases in services and supplies for street sweeping, nuisance abatement, and neighborhood cleanup.

The contingency fund increase is needed because of several unanticipated events that occurred in the 1989-90 fiscal year. Among these are the move of the Solid Waste Division offices to the Plaza Building, revenue lost to private hauling companies who served commercial customers in violation of the City Code, and the consultant cost associated with soliciting proposals for alternatives to direct haul to the County landfill. A healthy contingency fund balance will be needed to address the quickly changing requirements of solid waste management due to State legislation and other factors which cannot be accurately predicted at budget preparation time.

FINANCIAL DATA

Because there are few real discretionary increases in the proposed solid waste service fees, the only way to significantly reduce proposed fee increases is to reduce or eliminate current non-mandated existing service programs. The solid waste service programs that impact the proposed garbage rates are listed in Public Works priority (1 is the highest priority and 13 the lowest priority) as follows:

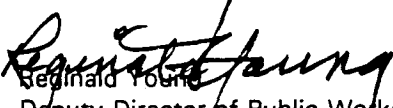
<u>Program</u>	<u>Council Discretion</u>
1. Garbage Collection Disposal	
a. New Landfill Taxes	State Mandate
b. Landfill Cover	State Mandate
2. Garden Refuse Subsidy	Existing Service
3. Cost of Increase for Labor and Supplies	Council Discretion
4. Increase Contingency Fund	Council Discretion
5. CIP 903Y Replacement Automated Lift Containers	Existing Service
6. Street Sweeping	Existing Service
7. Added Commercial Waste Collection Staff	Augmentation
8. Upgrade Garden Refuse Truck	Augmentation
9. Added Compost Staff/Program Expansion	Augmentation
10. Neighborhood Cleanups	Existing Service
11. Household Hazardous Waste Collection	Existing Service
12. Added Garden Refuse Staff	Augmentation
13. Nuisance Abatement	Existing Service

Exhibit 1 provides committee members with the impact that each of the above programs have on the 9% rate increase and the reduction in fee increase the elimination of any of the programs that they would affect. The exhibit also contains the function of each program (beyond basic refuse collection) and the impact of its elimination.


RECOMMENDATION

This report is provided for information only. Staff recommendations have already been made in reports presented with the proposed 1990-91 Operating Budget.


Respectfully submitted,


Reginald Young
Deputy Director of Public Works

Approved:


Melvin H. Johnson
Director of Public Works

Approved for Information:


For Jack R. Crist
Deputy City Manager

Contact Person
Mike Coleman, Administrative Services Officer
449-2103

June 20, 1990
All Districts

PRIORITIZED SOLID WASTE RATE IMPACT ITEMS

Item	Function	Dollar Amount of Program	Rate Impact	Program Impact
<p>1. Garbage Collection and Disposal</p> <p>a. New State Landfill Taxes</p> <p>b. Landfill Cover Material</p>	<p>Complies with AB 939, and which became effective January 1, 1990.</p> <p>Complies with Central Valley RWQCB landfill closure plan.</p>	<p>\$ 358,000</p> <p>-----</p> <p>323,000</p>	<p>3.07%</p> <p>-----</p> <p>2.77%</p>	<p>Provides <u>mandated</u> funds for California Integrated Waste Management Board.</p> <p>CIWMB Administrative Code mandate.</p>
<p>2. Garden Refuse (Cost of Service Over Tax and Other Subsidy)</p> <p>Status Quo FY 90-91</p>	<p>Provides additional funds necessary to continue a weekly collection of garden refuse.</p>	<p>Collection 5,050,087</p> <p>-----</p> <p>Disposal 836,549</p>	<p>43.33%</p> <p>-----</p> <p>7.18%</p>	<p>Decrease in funds could require a reduction in garden refuse collection services.</p>
<p>3. Cost of Increase for Labor and Supplies</p>	<p>Allows for employment and training of an adequate labor force.</p>	<p>409,000</p>	<p>3.51%</p>	<p>Maintains a high level of citizen acceptance of public services.</p>
<p>4. Increase to Contingency Fund (a)</p>	<p>Makes funds available for uncertain emergency occurrences.</p>	<p>3,030,040</p>	<p>26.00%</p>	<p>Landfill operations and new state CIWMB may require new operations.</p>
<p>5. CIP 930Y Purchase of Automated Lift Containers</p>	<p>Allows Solid Waste to purchase 90-gallon containers to replace damaged containers and to accommodate new homes and service growth.</p>	<p>300,000</p>	<p>2.57%</p>	<p>Elimination of this CIP could require some prior 90-gallon container users to revert to 32-gallon containers and newly constructed homes to have to wait 1 year for containers.</p>
<p>6. Street Sweeping</p> <p>Status Quo FY 90-91</p>	<p>Once-per-month mechanical sweeping of all residential streets that have curbs and gutters.</p>	<p>701,929</p>	<p>6.02%</p>	<p>To decrease street sweeping where garden debris is literally dumped in the streets could have an adverse impact on our waste water discharges.</p>

(a) 26% increase previously offset by deferring CIP's.

Item	Function	Dollar Amount of Program	Rate Impact	Program Impact
7. Additional Solid Waste Staff -- Refuse Collection	.5 FTE Sanitation Worker III to initiate new front loader route in FY 89-90.	17,300	0.15%	.5 workers approved in last year's budget. If this .5 FTE is not approved, the City would be without the ability to collect 100 commercial accounts each day use over time that would cost more than FTE.
8. Upgrade Garden Refuse Dump Truck	Truck used to make on route collection of off-loads from several mechanical sweepers routes. Thus, sweepers do not have to leave routes and return to landfill when filled.	46,000	0.39%	Loss of productivity and possible increase in citizen complaints regarding street cleaner off-loads remaining in neighborhoods longer, attracting flies, etc.
9. Compost Program Expansion	Personnel to operate shredder and perform other tasks necessary to increase compost production. Added tub grinder rental time.	75,000	0.64%	Compost program currently needs to produce test grades for verification of product prior to full scale program implementation.
10. Neighborhood Clean-up Status Quo FY 90-91	Provides once-per-year bulk waste collection for each City dwelling unit. Also funds one-per-year-per-district community clean-ups.	784,555	6.73%	Could discontinue municipal service of annual bulk waste pickup -- citizen could take materials to County transfer stations.
11. Household Hazardous Waste Collection Augmented for FY 90-91	Annually provide 3 household toxic roundups and 3 household liquids recycle days.	FY 90 = 65,000 ----- FY 91 = 90,000	0.56% ----- Additional 0.21%	Could discontinue municipal services of 3-per-year toxic collection -- citizen could take toxics to private transfer station and pay for disposal.
12. Additional Garden Refuse Staff -- Street Sweeping Supervisor	To plan street sweeping operations and provide direct supervision of the activities of 7 Street Cleaning Operators and one (egg) truck driver.	66,883	0.57%	Street Cleaning productivity will not be optimized. Service will remain good but not approach attainable maximums.
13. Nuisance Abatement Status Quo FY 90-91	To recover litter and debris from areas identified by Code Enforcement.	219,038	1.88%	Could discontinue this service and require that property owners and/or owners of contiguous property clean and remove litter from properties.