



# CITY OF SACRAMENTO

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DEPARTMENT OF COMMUNITY SERVICES  
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ROBERT P. THOMAS  
DIRECTOR

CITY MANAGER'S OFFICE  
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CROCKER ART MUSEUM DIVISION  
GOLF DIVISION  
METROPOLITAN ARTS DIVISION  
MUSEUM AND HISTORY DIVISION  
RECREATION DIVISION  
PARKS DIVISION  
ZOO DIVISION

November 3, 1982

City Council  
Sacramento, California

Honorable Members in Session:

SUBJECT: Compost Program - Proposed Fee Schedule

**APPROVED**  
BY THE CITY COUNCIL

NOV 16 1982

OFFICE OF THE  
CITY CLERK

## SUMMARY

This report provides information relating to the City's compost operations and recommends adoption of a user fee structure to reduce General Fund support of the program.

## BACKGROUND INFORMATION

The City's compost operation was initiated in 1975 with decomposed material first becoming available in 1979. At the time this program was established, it was intended that the operational costs would be minimal. To date, the program has cost \$62,767, exclusive of a \$33,056 State grant used to purchase a shredding machine. Since 1979, approximately 8,369 cubic yards of compost have been produced. The program has been extremely popular for three reasons:

1. It provides an excellent source of quality compost material.
2. It relieves the landfill site by five cubic yards for each yard of compost produced.
3. It is an excellent example of a successful recycling program.

Exhibit A provides a brief overview of the compost operations.

Historically, the program was staffed by CETA employees with minimal General Fund support. Since the loss of the CETA employees in 1981, the program is now supported entirely by the General Fund. Program costs have varied from year to year based on the type and condition of the organic matter and the amount of compost produced. Exhibit B provides a summary of the compost program including program expenditures, type of organic matter and compost production/cost. During the FY 1982-83 budget hearings, the City Council approved the Parks Division objective to "develop a program to charge fees for compost."

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Potential exists for this program to achieve a nearly self-supporting status with the implementation of an appropriate fee schedule and still retain sufficient public interest. A recently completed survey of October 1982 program participants indicates 91% (1,180 citizens out of 1,286) would be willing to pay a nominal fee, approximately \$5.00, per pickup load of compost. Such a positive citizen response is indicative of the public support of the program. This report recommends a fee schedule which will offset direct program costs, yet is competitive with retail compost prices of \$16 - \$17 per cubic yard.

ANALYSIS

Exhibit B provides detailed information on the production cost per cubic yard of compost. While personnel costs have increased during the last five years, the cost of producing a cubic yard has steadily decreased. A major contributing factor in reducing production costs is the type of organic matter used (wood chips, park leaves versus street and park leaves); the condition of the material (i.e. clean/uniform versus bagged or full of litter which must be hand sorted); and the Department's experience in compost operations.

Staff estimates direct compost production costs for FY 1982-83 to be \$7.54 per cubic yard. However, it costs \$2.36 per ton\* to dispose of raw material at the landfill site; therefore, a \$2.36 savings per ton of raw material (or one cubic yard of decomposed material) is realized by relieving the landfill site. For this reason, staff recommends that a round figure of \$5.00 fee per cubic yard be initiated. A differential for non-city residents is also recommended based on the premise that the citizens of this City are paying, through their lawn and garden refuse fees, approximately \$48\*\* per ton for removal of this refuse. Removal is required regardless of the compost program; however, the gathering and hauling costs of the raw organic matter are not included in the program costs. Since program implementation, non-residential compost use has ranged from 31% to 50%.

Overview of Compost Program

	<u>1979-80</u>	<u>1980-81</u>	<u>1981-82</u>	<u>Projected 1982-83</u>
Program expenditures	\$14,213	\$12,824	\$39,365	\$30,145
Compost produced (cubic yards)	2,162	1,400	4,807	4,000
Production cost (cubic yards)	\$11.20**	\$9.16	\$8.19	\$7.54

\*Information provided by the Waste Removal Division of the Engineering Department.

\*\*FY 1979-80 production costs include prior two years expenditures.

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FINANCIAL DATA

Based on the sale of 4,000 cubic yards at the proposed fee schedule, past resident versus non-resident use, and proposed loading charges, \$30,000 would be generated to offset direct program costs during fiscal year 1983-84.

The amounts of compost loaded by individuals vary with the type of vehicle used; therefore, the following fee structure is recommended based on the estimated vehicle capacity and rounded to the nearest whole dollar:

	<u>City Residents</u>	<u>Non-City Residents</u>
For each automobile or station wagon load (self-loading).	\$3.00	\$4.00
For each van, compact pickup load, or trailer of comparable size. (Self-loading).	\$5.00	\$7.00
For each full size pickup, pickup with side boards, or trailer* of comparable size. (Self-loading).	\$8.00	\$10.00
Additional loading charge for a pickup using a City tractor.	\$5.00	\$5.00

\*No commercial vehicles or vehicles larger than a full-size pickup allowed

The recommended fee policy is an attempt to defray operating costs and reduce reliance on the General Fund. The proposed fees do not exceed the cost to provide the service.

RECOMMENDATION

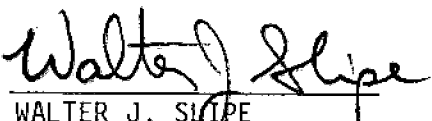
It is recommended that the Budget and Finance Committee approve and refer to the City Council the above user fee structure for compost. Further, it is recommended that the Council approve, by resolution, the implementation of the above cost program fee structure. Staff will evaluate the program at the end of the fiscal year 1983-84 and report back on the adequacy of the fee structure.

Respectfully submitted,



ROBERT P. THOMAS  
Director of Community Services

Recommendation Approved:



WALTER J. SLUPE  
City Manager

RPT:js

November 16, 1982  
All Districts

COMPOST PROGRAM OPERATIONS

Following is a brief description of the compost operations. During the fall season of heavy leaf sweeping, the leaves are transported by the garden refuse collection crews, weather permitting, directly to the compost site. Approximately 20,000 cubic yards of raw materials are recycled each year, thereby not filling the landfill site by that volume. These leaves are then moistened by the winter rains and in the spring are windrowed in long piles and allowed to decompose. Throughout spring and summer, leaves must be moistened by irrigation and turned by a tractor to increase decomposition and to prevent excessive heat from building up. There has been one experience of a pile catching fire through spontaneous combustion in June of 1981 due to lack of irrigation and windrowing. Whenever the material is sufficiently decomposed, the shredding operation is commenced. A rubber tired loader is rented from the City's equipment pool which is used to feed the shredder and can be used to load vehicles.

Twelve to eighteen months of decomposition are required for leaves to reach a state of readiness for shredding, so there are normally two sets of leaves on hand at the site; a one-year old set decomposing and a two-year old set being shredded. The shredding produces the finished product which is stockpiled in an area to be made available to the public.

In general, the material is ready to be disbursed during October of each year and when sufficient material is on hand, again in March or April.

Availability dates are announced through the news media and a special recorded telephone message. The participants are required to load and haul their compost. The major factor controlling compost availability is wet weather which creates mud that is impassible to ordinary vehicles attempting to load the compost. When the gates are open to the public, Parks Division personnel are assigned to work weekends to control the traffic flow and supervise the self-loading and hauling by program participants.

SUMMARY OF COMPOST PROGRAM

	<u>1977-78</u>	<u>1978-79</u>	<u>1979-80</u>	<u>1980-81</u>	<u>1981-82</u>	<u>Projected 1982-83</u>
<u>Program Expenditures</u>						
General Fund						
Personnel	\$1,000	\$1,000	\$4,396	1,485	\$34,225	\$25,000
Equipment-Rental			191	1,380	594	600
Supplies	2,000	6,000	35		1	
Subtotal	\$3,000	\$7,000	\$4,622	\$2,865	\$34,820	\$25,600
CETA-Personnel			3,228	5,414		
State Grant						
Equipment-Rental			1,818			
Equipment-Purchase at \$33,056, expected life of 8 years (inflated by 10%)			4,545	4,545	4,545	4,545
Total Program Expenditures	\$3,000	\$7,000*	\$14,213	\$12,824	\$39,365	\$30,145
<u>Compost Production/Cost</u>						
Amount produced	-0-	-0-	2,162 cu. yd.	1,400 cu. yd.	4,807 cu. yd.	4,000 cu. yd.
Production cost - exclusive of administration costs			\$11.20 cu. yd.	\$9.16 cu. yd.	\$8.19 cu. yd.	\$7.45 cu. yd.
<u>Organic Matter</u>						
Type	Wood chips	Wood chips	Wood chips	Park leaves	Organic matter from parks/ streets	Organic matter from parks/ streets
Condition	Clean/ uniform	Clean/ Uniform	Clean/ Uniform	Clean/ Uniform	Trashy	Less Trashy

\* FY 1979-80 production costs include prior two years expenditures

# RESOLUTION NO. 82-792

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

RESOLUTION AMENDING FEES AND CHARGES FOR  
VARIOUS COMMUNITY SERVICES (PARKS DIVISION)  
RELATED LICENSES, PERMITS, SERVICES AND FACILITIES

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. That Resolution No. 80-427, which established fees and charges for various City licenses, permits, services and facilities, is hereby amended to reflect the Community Services related fees and charges as set forth below:

	<u>City Residents</u>	<u>Non-City Residents</u>
For each automobile or station wagon load (self-loading)	\$3.00	\$4.00
For each van, compact pickup load, or trailer of comparable size (self-loading)	\$5.00	\$7.00
For each full size pickup, pickup with side boards, or trailer* of comparable size (self-loading)	\$8.00	\$10.00
Additional loading charge for a pickup using a City tractor	\$5.00	\$5.00

\*No commercial vehicles or vehicles larger than a full-size pickup allowed.

2. That the City of Sacramento Fee and Charge Report (Parks Division), page 43b, is hereby amended to reflect the Community Services related fees and charges as set forth in Section 1 above.

**APPROVED**  
BY THE CITY COUNCIL

NOV 16 1982

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MAYOR

ATTEST:

OFFICE OF THE  
CITY CLERK

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CITY CLERK