

Outlook on bulk waste services

January 2015

The Overview

- Making the Enterprise Fund Balance
- FY2015 Performance
- Three-year Forecast & Options
- Recommendations



The key issue for the City Council:

Subsidize Solid Waste Services

Projected operating loss for
FY 2016 Solid Waste (Refuse),
if no changes are made:

\$2,436,948

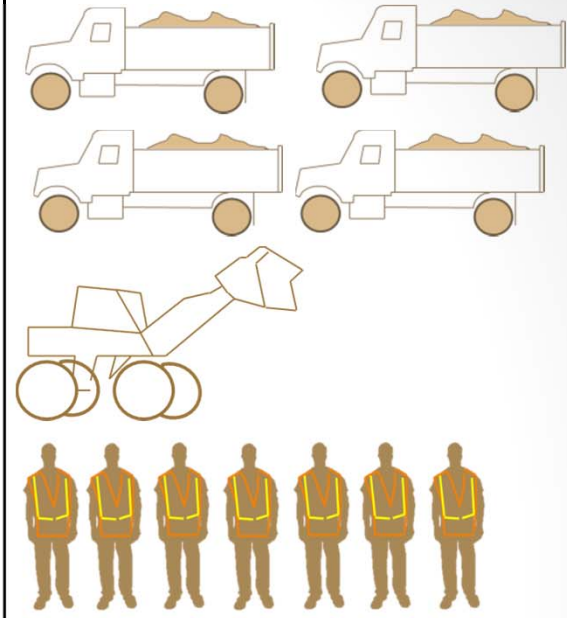
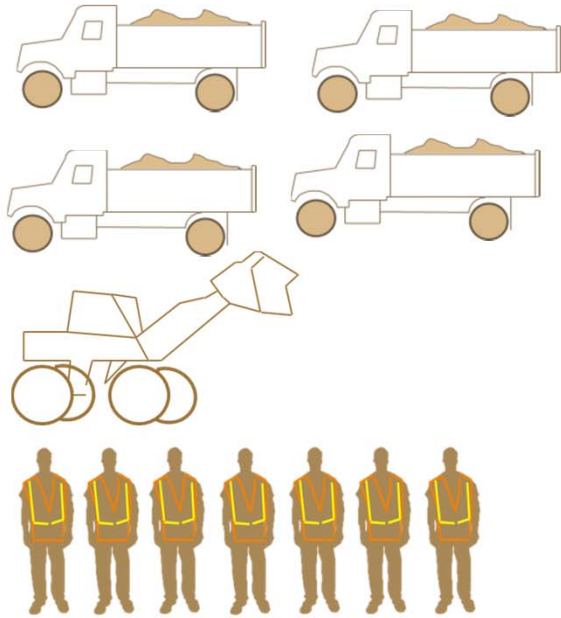
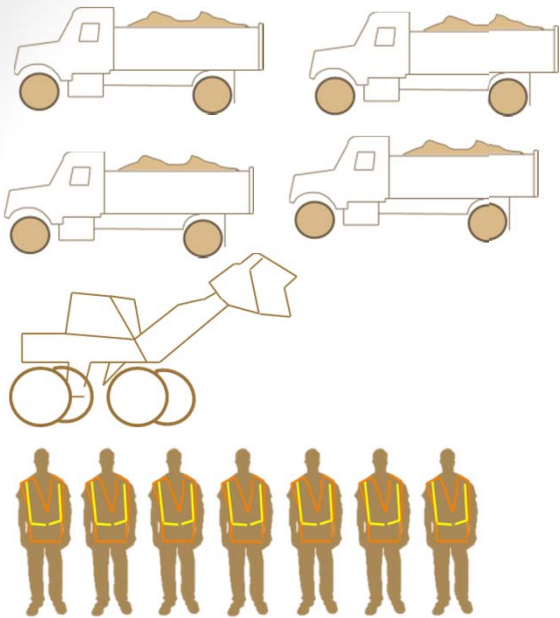
or

Do Not Subsidize Solid Waste Services

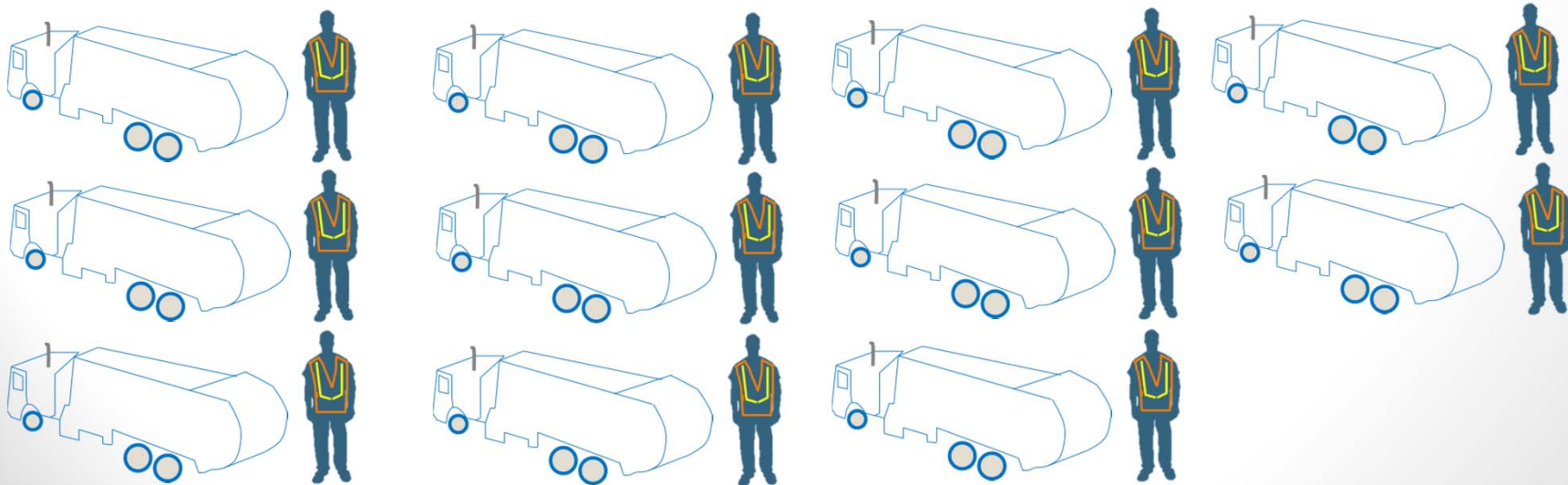
Changes to consider

- Increase bulk charges to customers
- Initiate charge for brush
- Decrease bulk services
- End or substantially decrease bulk services
- Increase cart fees
- Charge for the carts themselves
- Increase efficiency in bulk service and move employees to other jobs
- Combination of these another options

Bulk & Brush Crews: 21 employees, 15 pieces of equipment

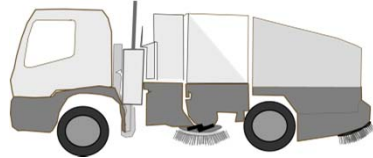


Garbage & Recycling: 11 employees, 11 pieces of equipment

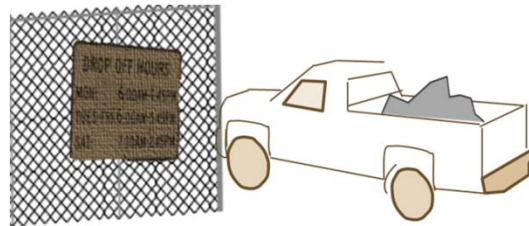


Reminder:

Solid Waste Division (Refuse)
has other jobs. 41 employees currently



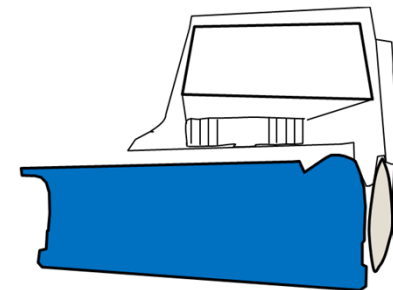
Street sweeper
1 Solid Waste
employee daily.



Drop-off center
1 or 2 Solid Waste
employees daily.



Leaf collection
Handled by bulk crews.
Number of employees
varies by season.
Massive effort during
leaf season.



Snow/Ice removal
Done jointly by:
⇒ Streets & Sewers
employees.
⇒ Solid Waste employees.

Multiple Options, none ideal

Operating Gain or (Loss) without General Fund Subsidy					
Option Overview	FY2015	FY2016	FY16 % of Fund Balance	FY2017	FY17 % of Fund Balance
Goal For The Fund	> \$0	> \$0	10.00%	> \$0	10.00%
Option A -- Make no changes	\$ (2,420,217.02)	\$ (2,436,947.74)	-48.02%	\$ (2,581,849.00)	-74.22%
Option B -- Implement Adopted Rate Structure 1 Year Early	(2,420,217.02)	(2,103,216.30)	-44.07%	(2,581,849.00)	-70.49%
Option C1 -- \$25 Charge for Every Bucket Loader and Current Rate Structure	(2,420,217.02)	(1,695,123.87)	-38.92%	(1,842,136.37)	-57.20%
Option C2 -- \$75 Charge for Every Bucket Loader and Current Rate Structure	(2,420,217.02)	(18,073.87)	-19.25%	(165,086.37)	-20.02%
Option C3 -- \$100 Charge for Every Bucket Loader and Current Rate Structure	(2,420,217.02)	820,451.13	-9.41%	673,438.63	-1.43%
Option C4 -- \$130 Charge for Every Bucket Loader and Current Rate Structure	(2,420,217.02)	1,826,681.13	2.39%	1,679,668.63	20.88%
Option C5 -- \$25 Charge for Every 1st Bucket Loader and \$100 for Every 2nd Bucket Loader and Current Rate Structure	(2,420,217.02)	(1,615,023.87)	-37.98%	(1,762,036.37)	-55.42%
Option D1 -- Monthly Rates 1 Year Early & \$25 Charge for Every Bucket Loader	(2,420,217.02)	(1,361,391.87)	-35.01%	(1,842,124.00)	-53.50%
Option D2 -- Monthly Rates 1 Year Early & \$75 Charge for Every Bucket Loader	(2,420,217.02)	315,658.13	-15.33%	(165,074.00)	-16.32%
Option D3 -- Monthly Rates 1 Year Early & \$100 Charge for Every Bucket Loader	(2,420,217.02)	1,154,183.13	-5.50%	673,451.00	2.27%
Option D4 -- Monthly Rates 1 Year Early & \$130 Charge for Every Bucket Loader	(2,420,217.02)	2,160,413.13	6.31%	1,679,681.00	24.58%
Option E1 -- Per Customer Flat Rate -- \$25 a month	(2,420,217.02)	(1,036,764.87)	-31.46%	(1,411,213.00)	-45.49%
Option E2 -- Per Customer Flat Rate -- \$30 a month	(2,420,217.02)	411,215.13	-14.33%	60,767.00	-12.86%
Option E3 -- Per Customer Flat Rate -- \$35 a month	(2,420,217.02)	1,859,195.13	2.80%	1,532,747.00	19.77%
Option F1 -- Discontinue Bulk Program and Flat Rate Monthly Fee-- \$22 a month for Refuse/Recycling	(2,420,217.02)	1,165,704.58	-8.53%	881,399.98	7.39%
Option F2 -- Discontinue Bulk Program and Flat Rate Monthly Fee Based on Cart Size -- \$17/\$22/\$26	(2,420,217.02)	1,257,636.58	-6.81%	888,347.98	9.11%
Option G1 -- \$25 Charge for Every Bucket Loader and Current Rate Structure - Assume 90% Less Bulk Waste Pickups	(2,420,217.02)	(495,407.41)	-30.67%	(588,042.20)	-36.83%
Option G2 -- \$75 Charge for Every Bucket Loader and Current Rate Structure - Assume 75% Less Bulk Waste Pickups	(2,420,217.02)	488,713.11	-18.50%	422,217.39	-10.87%
Option G3 -- \$100 Charge for Every Bucket Loader and Current Rate Structure - Assume 80% Less Bulk Waste Pickups	(2,420,217.02)	685,537.21	-15.68%	624,269.31	-4.90%
Option G4 -- \$130 Charge for Every Bucket Loader and Current Rate Structure - Assume 90% Less Bulk Waste Pickups	(2,420,217.02)	760,545.92	-15.22%	709,733.64	-2.51%

* Bulk fees include charge for brush.

5 Recommendations

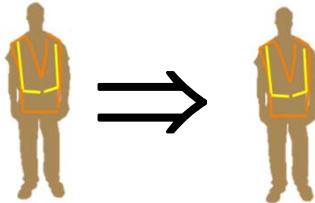
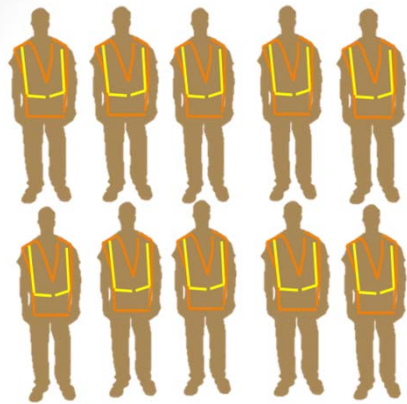
1. Cart changes. No longer allow cart downsizing. Determine cart size by household size for new customers. New customers pay \$60 for the cart.
2. Begin charging for all bulk and brush pickup. \$25 per bucket would begin to address the budget shortfall and would fit into most people's ability to pay. (Option G1)
3. Subsidize Solid Waste by \$500,000 from the General Fund Reserve for 2015-16 FY.

1 Person Household	35-gallon cart	\$16/mo.
2 Person Household	65-gallon cart	\$20 as of May 1
3 or Greater	95-gallon cart	\$23 as of May 1

	(2,420,217.00)	1,859,195.13
2 a month	(2,420,217.00)	1,165,704.58
ed on Cart	(2,420,217.00)	1,257,636.58
ecture -	(2,420,217.00)	(495,407.41)
ecture -	(2,420,217.00)	488,713.11
ecture -	(2,420,217.00)	685,537.21



\$0.5M = \$7 in property tax for one year per average home.



Other Public Works vacancies.
(1 currently)



Parks, Rec & Cultural Arts vacancies.
(8 currently)

4. Let market determine service level for bulk. Move employees from Solid Waste to vacancies in Parks & Rec and other areas of Public Works as efficiencies in bulk pickup increase.

5. Explore use of knuckleboom trucks for bulk and brush. Start with one knuckleboom truck and evaluate results. Look at other efficiencies such as GIS routing and call-in service. One truck will cost approx. \$140,000-\$180,000.

